



State Form 50866 (R / 5-03)

# HPF GRANTS MANUAL

## FISCAL YEAR 2003



Historic Preservation Fund Grants:  
A Program of the U.S. Department of the Interior,  
National Park Service



Administered by the  
Indiana Department of Natural Resources,  
Division of Historic Preservation and Archaeology

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## INTRODUCTION

This Grants Manual is designed to provide information to entities that have received federal Historic Preservation Fund (HPF) grant assistance from the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology (DHPA). The Federal Government considers the State of Indiana to be the recipient of these funds and, therefore, the **grantee**. The entities that receive these funds are **subgrantees**, and will be referred to as such throughout this manual.

As a subgrantee, you are responsible for abiding by:

- All of the requirements set forth in your grant Award Letter;
- The requirements and project specifications spelled out in the Project Notification;
- The General Grant Conditions and Assurances forms;
- The certifications and conditions signed and submitted with the grant application;
- State and federal procurement guidelines and accounting standards; and
- The instructions contained in this *Grants Manual*.

We urge you to review this information thoroughly to avoid any confusion later in the grant process. Remember that while the DHPA strives to bring every project to a successful conclusion, **failure to adhere to grant standards can result in the reduction or cancellation of the State's funding offer**. The DHPA's Grants Staff can answer questions about your responsibilities as a subgrantee.

This manual is designed around the enclosed 12-step flow chart, which shows the grant process from the time funding is offered by the State Historic Preservation Officer (SHPO) to the completion of the project. The assurances and certifications that were part of the application packet are not duplicated in this manual. However, they are incorporated into this project by reference and are listed in Appendix A.



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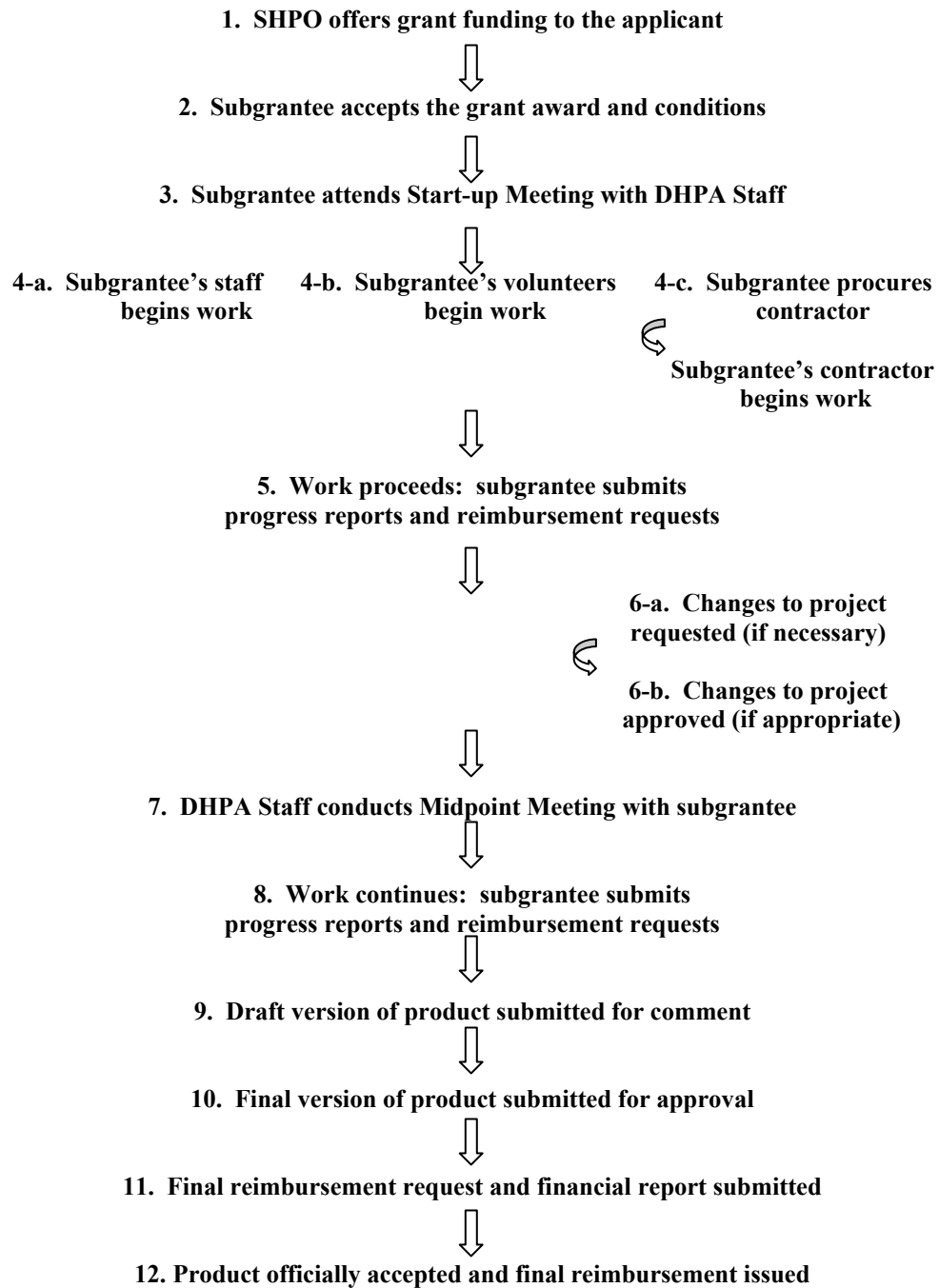
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# COMPLETING AN HPF GRANT PROJECT

## “THE 12-STEP PROCESS”



## PART I: THE GRANT PROCESS STEP BY STEP

### STEP 1: State Historic Preservation Officer Offers Grant Funding

Grant applications are considered and selected for funding by the Indiana Historic Preservation Review Board. While the DHPA staff often advises applicants of the Board's decisions for planning and scheduling purposes, subgrant awards are not official until the State Historic Preservation Officer (SHPO) sends the subgrantee an Award Letter with project-specific conditions. The Award Letter will be accompanied by other documents that are also considered part of the grant offer, including:

- Project Notification;
- General Grant Conditions Form;
- Non-Construction Assurances Form or Construction Assurances Form;
- DHPA *Historic Preservation Fund Grants Manual*;
- Entity Annual Report (Form E-1) with instructions; and
- other pertinent forms and information as may be appropriate for your project.

The Project Notification form attached to your Award Letter is a synopsis of the grant project as prepared by the DHPA Grants Staff based on the information contained in your grant application. The Project Notification has been reviewed and approved by the U.S. Department of the Interior, National Park Service (NPS). It is the measure by which the NPS and the DHPA will evaluate your project. It includes the estimated budget for the project, the scope of work, and the list of products to be created under the grant.

### STEP 2: Subgrantee Accepts Grant and Conditions in Writing

Upon receipt of the SHPO's grant Award Letter, the subgrantee should review the following items:

- The Award Letter;
- The proposed budget, scope of work, and list of products in the Project Notification;
- The *Historic Preservation Fund Grants Manual*, including all Appendices and Exhibits;
- Any project-specific information accompanying the Award Letter; and
- The certifications and assurances that were submitted with your grant application (these forms are listed in Appendix A; additional copies may be obtained from the DHPA).

If you are unable to meet any of the grant conditions, or if you disagree with any of the information contained in the Project Notification, contact the DHPA Grants Staff immediately. Most situations can be rectified quickly and informally; major differences might require additional clearance from our office and/or the NPS. In extreme cases, DHPA staff might have to present the problem to the Indiana Historic Preservation Review Board for their guidance. **Subgrantees should remember that all of the grant conditions are required under state or federal law or regulation and cannot be waived under any circumstances.** If the conditions attached to the project cannot be met, the SHPO reserves the right to reduce the funding award or cancel the grant offer and reallocate the funds to other projects.

Subgrantees who are able to meet the requirements of the grant award should submit the following items to the DHPA Grants Staff by the acceptance deadline printed in the Award Letter:

- A letter officially accepting the terms and conditions of the grant;
- Signed copy of the General Grant Conditions;
- Signed copy of the Non-Construction Assurances or Construction Assurances;
- Completed W-9 Taxpayer Identification Form, if included in the grant award packet.

Grant awards not accepted by the deadline indicated in the SHPO's letter are subject to withdrawal. These grant funds may be offered to other subgrantees or applicants. The Entity Annual Report (Form E-1) is not required for grant acceptance, but must be submitted during the course of the project.

### **STEP 3: Subgrantee Attends "Start-Up Meeting"**

Usually within four weeks of acceptance of the grant award, the Grants Staff will arrange a Start-up Meeting with the subgrantee's representative(s), the Grants Staff, and the Historical Architect or the appropriate Program Area Staff. (The Program Area Staff member is the individual who will review the grant product to ensure that it meets state and federal standards.) Start-up Meetings will be conducted at the DHPA office in Indianapolis unless the grant is for a development project, in which case the Start-up Meeting must be held at the project site.

**The subgrantee should review the grant requirements and conditions in the Award Letter, the Project Notification, and the Grants Manual before the Start-up Meeting.** This meeting is an opportunity for the subgrantee to ask questions about the project or specific grant conditions. By the end of the meeting, both the subgrantee and the DHPA should have a clear understanding of the project being assisted with Historic Preservation Fund money.

Work on the project prior to the Start-up Meeting may be unnecessary, inadequately documented, in violation of the *Secretary of the Interior's Standards and Guidelines*, or not within the approved Scope of Work, and will not qualify for reimbursement. **Only work performed between the project's begin and end dates is reimbursable.** Therefore, it is advisable to contact the DHPA before any work is undertaken on the project. Subgrantees should be especially careful of federal hiring and contracting standards. See Step 4 below, and Appendix B: Procurement.

### **STEP 4: Beginning Work**

The subgrantee's staff, volunteers, and/or contractors can begin work on the project following the Start-up Meeting and after the project begin date. Different regulations apply to each project participant. In each case, however, it is imperative that the work be necessary and useful to the project, that it is done by someone with the requisite knowledge, training, and skills, and that the effort put forth is properly documented.

#### **Subgrantee's Staff Begins Work**

The person designated as **Project Coordinator** has responsibility for the day-to-day administration of the grant project. This person must be conscientious, reliable, and accessible during business hours as they will be the DHPA's primary point of contact within the subgrantee organization. The Project Coordinator is specifically responsible for keeping the project on schedule, and preparing and submitting quarterly progress reports, bidding documents, contracts, and reimbursement requests.

Depending on the nature of the project, the subgrantee may have among its existing staff members, a person with the necessary skills, education, and experience to complete the technical aspects of the project. The subgrantee may appoint that individual as **Principal Investigator**, and charge him or her with the responsibility of completing the grant project. Additional staff members may be assigned to assist in the work, but it is the Principal Investigator who has the ultimate responsibility of guaranteeing the quality of the final product (see Steps 9, 10, 12). If the subgrantee organization does not have someone within its membership who is qualified to act as Principal Investigator, they must procure the services of a person qualified to act in this capacity. For example, a development project requires that the Principal Investigator be either a qualified general contractor or a licensed architect so that they can communicate effectively with contractors working on the grant project and review the quality of their work. The Principal Investigator protects the interests of the subgrantee organization by ensuring the quality of the contractual services being provided. For more information about the requirements for Principal Investigators, see Appendix J: Federal Requirements for Principal Investigators.

All efforts towards completion of the grant project by members of the subgrantee organization's staff must be documented on approved time sheets and supported by copies of payroll checks, unless other arrangements have been made with the DHPA. See Appendix D: Preparing Reimbursement Requests, and Exhibit 3: Time Work Record.

### **Subgrantee's Volunteers Begin Work**

State and federal regulations allow volunteer workers to donate their time to the project. Such work, if included in the approved project budget and properly executed and documented, can be used as part of the local matching share required to leverage the federal grant funds. Note that the efforts of volunteers must be valued at the current minimum wage, unless the person is volunteering a service on a professional basis. The latter donation is referred to as "professional in-kind services." For example, an architect who donates his or her time to complete plans and specifications for a rehabilitation project is providing a professional in-kind service. Although free to the subgrantee organization, professional in-kind services are worth the value of those same services if procured on the open market. However, if the same architect provides labor outside of their professional field, such as scraping paint, then the donated labor is valued at minimum wage. Subgrantees using volunteer workers must still meet the requirement for a qualified Principal Investigator who will guarantee the quality of the final product.

### **Work Performed by an Outside Contractor**

When any work is to be performed by an outside contractor, the subgrantee must be sure to follow proper procedures for procuring professional services and for preparing a contract. **Procurement for contractual services must be initiated within sixty (60) days after the Start-up Meeting; failure to initiate procurement by this time may result in cancellation of the grant award.**

- Because DHPA grants involve federal funds, subgrantees must follow both state and federal guidelines concerning contractor selection. In general, these guidelines are intended to ensure that all qualified parties are provided an equal opportunity to be hired, and that the contract price agreed to is fair and reasonable for the services to be provided. See Appendix B: Procurement, for specific information on required procurement practices. Remember that bidding documents and proposed contracts **must be submitted to the DHPA Grants Staff for review and written approval prior to their release.** The DHPA reserves the right to reduce or cancel grant awards to projects where fair procurement standards are violated.
- Following receipt of DHPA's written approval of a proposed contract for services, the subgrantee is free to enter into the contract and initiate work. It is the subgrantee's responsibility to ensure that the contract is enforceable, that its terms adequately describe the work to be completed, and that the terms of the contract are met. See Appendix B: Procurement.

## **STEP 5: Work Proceeds, Progress Reports & Reimbursement Requests Submitted**

Subgrantees should be able to proceed with work on their projects on an independent basis, using the appropriate state and federal guidelines referenced in their grant Award Letter and this manual. However, DHPA staff members are always available to answer questions, give advice, or assist with the interpretation of federal and state standards, rules, and regulations. You are encouraged to contact the Grants Staff whenever questions arise; it is better for both the State and the subgrantee to identify and resolve problems as soon as they arise.

You may contact **Steve Kennedy**, Chief of Grants and Administration, or **Malia Savarino**, Assistant Grants Manager. The Grants Staff is responsible for all administrative aspects of the project, including project deadlines, eligible costs, procurement procedures, and financial reporting. Questions involving project methodology or the quality of completed products/work will be referred by the Grants Staff to the appropriate Program Area Staff. Note that changes to the grant project require the involvement of both Program Area and Grants Staff. See Step 6 for more information.

### Subgrantee Progress Reports

The subgrantee must provide written reports on the status of the project on a regular basis. Progress reports are to be submitted to the DHPA quarterly, according to the following schedule:

- Report due by **July 10**..... for the period April 1 to June 30, 2003
- Report due by **October 10**..... for the period July 1 to September 30, 2003
- Report due by **January 10**..... for the period October 1 to December 31, 2003
- Report due by **April 10**..... for the period January 1 to March 31, 2004
- Report due by **July 10**..... for the period April 1 to June 30, 2004

If the subgrantee's project is behind schedule at the end of the second quarter, DHPA Staff may require the subgrantee to submit monthly progress reports until the project is complete.

Progress reports are used to gage a subgrantee's performance, and their likelihood of completing the project successfully. The form supplied (see Exhibit 1: Subgrantee Progress Report) is fairly brief, and should not be difficult to complete assuming that work is progressing adequately and that some measure of financial and administrative control is in place. Please provide detailed responses to the last two questions. Additional pages may be attached to make the report more complete. Subgrantees who submit late or inadequate reports may be required to submit additional documentation of progress. See Appendix C: Preparing Progress Reports. The DHPA will review the Subgrantee Progress Reports to ensure subgrantee compliance with all conditions, and to verify that adequate progress is being made on the grant project.

Subgrantees should carefully monitor their expenses and advise the DHPA promptly if it appears that the project will come in either over or under budget. The DHPA attempts to resolve such situations annually by reallocating funds from those projects that have grant funds remaining to those projects that are running over budget. It is critical that these situations be addressed at the earliest opportunity. See Step 6. Subgrantees who do not inform the DHPA that they may not use all of their allotted funds are inadvertently causing financial hardship to subgrantees in need. This situation also puts the State in peril of having to return the excess and unspent funds to the federal government. Such situations may count against a subgrantee if they reapply for DHPA grant assistance in the future.

### Reimbursement Requests

Subgrantees are required to submit financial **reimbursement requests** (generally referred to as "claims") on a periodic basis. The subgrantee may submit claims according to the needs of their particular project and their financial situation. However, it is generally recommended that claims be submitted at least quarterly. **Note** that financial claims cannot be reimbursed without Subgrantee Progress Reports on file. Subgrantees who believe that they have the financial resources to complete the grant-funded project and then seek reimbursement at the end are strongly urged to submit **at least two claims** during the life of the project. If remedial work is required by the DHPA, payment of the final claim may be delayed for some time. Therefore, it is important for the subgrantee to have sought reimbursement for part of the project costs along the way so as to avoid financial hardship. See Appendix D: Preparing Reimbursement Requests, for instructions on assembling claims. Refer also to the terms of the grant Award Letter concerning this issue. The State reserves the right to withhold payment if it has legitimate reasons to question the subgrantee's ability to conclude the project successfully. However, in most cases up to **85%** of the total grant funds will be reimbursed upon receipt of properly documented claims and adequate Progress Reports. See Appendix D for information on preparing reimbursement request forms. The remaining **15%** of grant funds will be paid out after final inspection and approval of the project by the Program Area Staff; see Step 12.

**Note that most subgrantees are required to submit a report of the expenditure of grant funds as of September 30; this report must be submitted by October 10. In addition, all subgrantees are required to file a final claim within 60 days of completion of the project. Failure to submit the final claim within 60 days of the project completion or end date may jeopardize the remaining grant funds.**



## STEP 6: Changes

### Changes to the Project Requested

A subgrantee may find that circumstances encountered while working on a project are different from those expected when the project was conceived and planned. This often occurs in rehabilitation projects where the conditions of buildings needing repair work may have deteriorated beyond the level that was originally identified in the project proposal. The magnitude of the project may vary; inclement weather or turnover in the subgrantee's staff may affect the progress of the work. The DHPA should be notified of any situation that might affect the cost, timeliness, or proper completion of a grant-assisted project. It may be determined that the subgrantee should formally request changes to the project budget, schedule, or scope of work.

Changes to the project budget are considered significant if any single line item in the Project Notification's budget is inaccurate by **10% or \$250** (whichever is greater), or when the total project budget appears to be inaccurate by **\$2,000 or more**. Changes are also significant if they involve the introduction of a **new work item** not shown on the approved Project Notification budget breakdown, or if they involve a request to purchase any **equipment** (single items costing more than \$300). A change in the Source of Matching Share is also considered a budget change that requires DHPA approval.

**Timeliness** is a factor of grant performance that the DHPA and the NPS consider to be of great importance. Among other things, it is an important consideration each year when the State reviews grant/subgrant applications. Those who have a poor track record of meeting deadlines on past projects will be downgraded accordingly during subsequent grant application evaluations. However, unforeseen circumstances sometimes affect a subgrantee's ability to perform in accordance with the original schedule. In such cases, the subgrantee must advise the DHPA and request a revised schedule, which may include a new project end date. The DHPA will consider revising schedules when the need stems from a situation that could not have been foreseen. Changes, particularly extensions, are more difficult to obtain when the problem seems to stem from a lack of interest or diligence in carrying out the work on the part of the subgrantee. **Therefore, you are strongly urged to monitor your progress to help avoid the need for a schedule change.** If a change becomes unavoidable, contact the DHPA Grants Staff at the earliest opportunity. Changes to the scope of work are usually linked directly to changes in the list of final products given in the Project Notification. The State is reluctant to make changes in these areas, since the result can be the use of grant funds to assist a project that is significantly different from what was spelled out in the original project proposal that was approved by the State Historic Preservation Review Board. When changes cannot be avoided, however, the DHPA **must** be contacted for permission to adjust the scope of work and revise the list of products to be completed under the grant.

### Changes to the Project Approved

In some cases, changes to a subgrantee's budget, schedule, or scope of work can be approved by the State alone. In other instances, however, the State may need to receive written concurrence from the National Park Service. In such situations, the DHPA Grants Staff will prepare and file a Project Notification Amendment with the NPS. If approved, the Grants Staff will supply to the subgrantee a copy of this form with the State's letter approving of the requested changes. Please note that this can be a lengthy process.

There may be instances in which the changes requested are unwarranted, or are considered not to be in the best interest of the State. In such cases, the State reserves the right to require adherence to the original grant agreement, to reduce or cancel the grant funding, or to negotiate a compromise acceptable to all parties. When appropriate, however, the changes requested are approved by the DHPA Grants Staff in a timely manner.

## STEP 7: Midpoint Meeting with the DHPA

At a point approximately halfway through the grant period, you will be contacted by the DHPA Grants Staff to schedule a Midpoint Meeting. This meeting will involve both the DHPA Grants Staff and the Program Area Staff who will be responsible for reviewing your final product. Midpoint Meetings may take place at the DHPA office in Indianapolis or at the project site. In some instances, the Midpoint Meeting may be conducted over the telephone.

Midpoint Meetings for development projects generally take place at the job site, but may be conducted over the telephone if the project is proceeding according to schedule and no problems have been encountered.

The Midpoint Meeting serves as an opportunity for the subgrantee to request advice on particular aspects of the project, and for the DHPA to determine whether adequate progress is being made on the project. If any problems are encountered in a grant project, they should be discussed at the Midpoint Meeting. This will allow the subgrantee either to gain the DHPA's approval of the methods being used to resolve such situations, or to explore other options. In preparation for such a meeting, subgrantees are encouraged to review their project records so that they can give a brief verbal report of all progress. The subgrantee should also review the Project Notification form and compare it with the work completed and money spent to date. Finally, the subgrantee should also be prepared to discuss any changes to the project's scope of work, budget, or schedule that may be necessary.

In order for the State to ensure that the final product will be acceptable, the subgrantee should bring a sample of the work completed to date (for non-development projects) for the Program Area Staff to review. Such items may include a sample of survey forms, draft reports, maps, photographs, draft National Register nominations, etc. Subgrantees with development projects are encouraged to submit slides or photographs of the project as it is progressing. **Subgrantees not in compliance due to performance problems (such as failure to initiate procurement, failure to make adequate progress, or failure to comply with the *Secretary of the Interior's Standards*) will be required to take corrective action delineated in a letter from the DHPA. See Step 12 Corrective Action/Termination.**

#### **STEP 8: Work Continues: Progress Reports & Reimbursement Requests Submitted**

After the Midpoint Meeting, the subgrantee continues working on the project, incorporating any requirements or suggestions set forth by the DHPA. By this stage, there should be no major changes to the project; if there are, they would be accomplished in the manner described in Step 6. Again, it is important for the subgrantee to submit periodic reimbursement requests in order to leverage the grant funds. **Subgrantees should be especially conscious of the amount of time and funding remaining through the final half of the project.**

#### **STEP 9: Draft Version of Product Submitted for Comment**

The terms of many subgrants require that drafts of reports or products be submitted to DHPA Grants Staff at least sixty (60) days before the project end date (the exact date is specified in the Award Letter). **Please note that all draft products MUST be sent to the attention of the Grants Staff – such items SHOULD NOT be sent directly to the Program Area Staff.** The Grants Staff must log in all grant-funded products and will forward them to the appropriate Program Area Staff for review. The Grants Staff will then monitor the timely review of the grant-funded products. Within thirty (30) days of submission, Program Area Staff will review the draft and provide the subgrantee with a written request for specific revisions and/or corrections.

This review requirement provides the subgrantee with advice from the appropriate DHPA Program Area Staff, and makes it possible for the subgrantee to make the required corrections and improvements to the grant project while grant funds are still available. **The costs of making corrections after the project end date are ineligible for reimbursement and will be borne by the subgrantee.** Refer to your grant award letter to determine whether this requirement applies to your project. Drafts will be returned to the subgrantee with the DHPA's comments within 30 days of submission.

Projects or aspects of work deemed unacceptable will be made known to the subgrantee with a letter indicating the necessary corrective actions and/or remedial work necessary and the time frame in which the corrections must be made. In instances where remedial work is necessary, the DHPA will work with the subgrantee to bring the product into compliance with all state and federal requirements in a timely manner. While the DHPA can usually help the subgrantee make the necessary improvements, the subgrantee should note that program regulations prevent the DHPA from paying for inadequate or inferior work. Please note that subgrantees who fail to bring a project to

completion in compliance with state and federal guidelines may be required to repay all grant funds to the National Park Service.

#### **STEP 10: Final Version of Product Submitted for Approval**

After the DHPA's comments on the draft product have been received, the subgrantee must make the appropriate changes and submit a final version for DHPA approval. This final draft must usually be submitted 30 days after receipt of the DHPA's comments, but subgrantees should refer to their grant Award Letter to determine the exact due date. Once the requested changes and revisions have been made, an approval letter from the DHPA will follow within 30 days; see Step 12 below.

The subgrantee must submit the completed project within the time frame specified in the Award Letter. The completed grant products will be reviewed by the Grants Staff and the Program Area Staff for compliance with the *Secretary of the Interior's Standards* and other state and/or federal requirements. If the products are acceptable, the Historical Architect or Program Area Staff will certify in writing that the project has been completed successfully. The Grants Staff will withhold payment of **15%** of the grant funds until the designated Program Area Staff has given written approval of the final project. If changes or revisions are required but the subgrantee fails to make the requested changes, the Grants Staff will take the appropriate action. See Step 12 Corrective Action/Termination.

#### **STEP 11: Final Claim and Financial Report Submitted**

When all grant project work has been completed, the subgrantee should prepare and submit the final reimbursement request. The subgrantee must submit all final reimbursement requests within the time frame specified in the Award Letter. The Grants Staff reserves the right to refuse payment of allowable project expenses that are not submitted by the deadline specified in the Award Letter. See Step 5. This should be accompanied by a brief report comparing the budget estimate shown in the original Project Notification (as amended) with the actual outlay in each budget category. This report should justify variances in each category. **Subgrantees who fail to submit their final claim within 60 days of the project completion or end date may jeopardize their remaining grant funds.** Within thirty (30) days of the final project being approved, the final reimbursement will be processed and the Grants Staff will prepare a written Final Project Report.

#### **STEP 12: Product Officially Accepted by the DHPA and Final Payment Issued**

The product created with grant funding will be reviewed for professional quality and adherence to state and National Park Service standards. Subgrantees will be notified in writing if the product is acceptable. In instances where corrections must be made, the DHPA will work with the subgrantee to bring the product into compliance in a timely manner. See Step 10 above. When all of the work has been completed and accepted, and all of the financial documentation has been submitted, the DHPA can process the 15% retention (or the balance of the grant funds). This concludes the grant agreement, and the project is considered to be complete.

#### **Corrective Action/Termination**

If the DHPA determines that the subgrantee is not in compliance with the terms and conditions of the grant due to reporting problems (such as failure to submit Progress Reports, attend meetings, supply financial documentation, or respond to requests from Grants Staff) or performance problems (such as the failure to make adequate progress toward timely completion of the project, failure to make requested changes, or failure or inability to produce work that meets the *Secretary of the Interior's Standards*), the subgrantee will be required to take corrective action.

- The Grants Staff will advise the subgrantee of problems and detail the reasons for the requested corrective action in a letter.

- Each grant is a unique project with different circumstances; the Grants Staff and Program Area Staff handle each grant accordingly. The specific details of the corrective action requested will be project- and situation-specific.
- The subgrantee will have thirty (30) days in which to respond to any correspondence. If no response is made, the initial letter will be followed with more attempts to contact or communicate with the subgrantee.
- If no sufficient response is received, the Grants Staff (with NPS approval), may initiate termination proceedings, which includes filing Project Notification Amendments and notifying the subgrantee that the grant is being canceled.

Subgrants may also be terminated when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. Termination conditions and effective dates will be agreed upon by both parties. Subgrantees will be required to **refund** to the State any grant payments made for projects that are not completed, or that do not meet state and federal guidelines and requirements. Grants Staff and Program Area Staff will determine whether any work produced through a terminated subgrant constitutes an acceptable product eligible for federal reimbursement.

- The Grants Staff will order the subgrantee to return any funds previously received that were not expended appropriately in the process of creating an acceptable product.
- If the subgrantee fails to return the funds, the DHPA will consult DNR's legal counsel, and may ultimately turn the matter over to the State Attorney General with a request that the State take legal action to recover the funds.

# GRANT PROJECT CHECKLIST

## “The Grant Process Step by Step”

This checklist is designed to help Project Coordinators keep track of all the necessary steps toward completing an HPF grant project. Depending on the precise nature of any given project, additional steps may be required beyond those listed below. Project Coordinators are encouraged to refer back to this list and check the box as each activity is completed.

### Grant Acceptance and Project Initiation

Refer to Step 1, Step 2, Step 3, and Appendix A, Appendix I, Appendix J, Exhibit 4

#### Formal Acceptance of Grant Award

- ☐ Subgrantee submits formal letter accepting terms and conditions of grant award
- ☐ Subgrantee submits signed Construction Assurances or Non-construction Assurances form
- ☐ Subgrantee submits signed General Grant Conditions form
- ☐ Subgrantee submits completed W-9 Taxpayer Identification form

#### Grant Project Start-up Meeting

- ☐ Subgrantee reviews Grants Manual, Award Letter, and Project Notification prior to start-up meeting
- ☐ Subgrantee prepares list of questions for DHPA Grants Staff prior to start-up meeting
- ☐ Subgrantee attends start-up meeting at DHPA or project site
- ☐ Subgrantee submits completed Entity Annual Report (Form E-1) to DHPA Grants Staff

#### Following the Grant Project Start-up Meeting (for development projects only)

- ☐ Subgrantee posts NPS/DNR sign at rehabilitation project site for the duration of the grant period
- ☐ Subgrantee provides DHPA Grants Staff with legal description of property boundary from deed
- ☐ Subgrantee reviews draft of covenant document produced by DHPA Grants Staff
- ☐ Subgrantee notifies DHPA Grants Staff of any errors or necessary revisions to covenant
- ☐ Subgrantee reviews finalized covenant document produced by DHPA Grants Staff
- ☐ Subgrantee signs two copies of approved covenant document, legally records covenant with County Clerk
- ☐ Subgrantee sends one copy of recorded covenant to DHPA Grants Staff, keeps one copy

### Procurement

Refer to Step 4, and Appendix B

#### Preparation of Bidding Document / Solicitation of Bids

- ☐ Subgrantee prepares draft bidding document with all required parts and federal language
- ☐ Subgrantee mails, faxes, or e-mails draft bidding document to DHPA Grants Staff for review
- ☐ Subgrantee receives input from DHPA Grants Staff, makes revisions and corrections as needed
- ☐ Subgrantee mails, faxes, or e-mails revised bidding document to DHPA Grants Staff for review
- ☐ Subgrantee receives approval of bidding document from DHPA Grants Staff
- ☐ Subgrantee sends approved bidding document to minimum of five potential contractors via certified mail

#### Preparation of Newspaper Advertisements (required for any procurements of \$25,000 or more)

- ☐ Subgrantee prepares draft newspaper ad with all required parts and abbreviated federal language
- ☐ Subgrantee mails, faxes, or e-mails draft newspaper advertisement to DHPA Grants Staff for review
- ☐ Subgrantee receives input from DHPA Grants Staff, makes revisions and corrections as needed
- ☐ Subgrantee mails, faxes, or e-mails revised newspaper advertisement to DHPA Grants Staff for review
- ☐ Subgrantee receives approval of newspaper advertisement from DHPA Grants Staff
- ☐ Subgrantee sends newspaper advertisement to run in regional and minority newspapers

#### Preparation of Contract Documents

- ☐ Subgrantee prepares draft contract document with all required parts and federal language
- ☐ Subgrantee mails, faxes, or e-mails draft contract document to DHPA Grants Staff for review
- ☐ Subgrantee receives input from DHPA Grants Staff, makes revisions and corrections as needed
- ☐ Subgrantee mails, faxes, or e-mails revised contract document to DHPA Grants Staff for review
- ☐ Subgrantee receives approval of contract document from DHPA Grants Staff
- ☐ Subgrantee signs contract document and sends it to contractor for signature
- ☐ Subgrantee mails photocopy of signed contract document to DHPA Grants Staff

(If necessary)

- ☐ Subgrantee repeats all steps above for second procurement opportunity
- ☐ Subgrantee repeats all steps above for third procurement opportunity

### **Progress Reporting**

Refer to Step 5, Step 6, Step 7, Step 8, Appendix C, and Exhibit 1

- ☐ Subgrantee submits progress report for the period April 1 to June 30, 2003 -- due by July 10
- ☐ Subgrantee submits progress report for the period July 1 to September 30, 2003 -- due by October 10
- ☐ Subgrantee submits progress report for the period October 1 to December 31, 2003 -- due by January 10
- ☐ Subgrantee submits progress report for the period January 1 to March 31, 2004 -- due by April 10
- ☐ Subgrantee submits progress report for the period April 1 to June 30, 2004 -- due by July 10
- ☐ Subgrantee provides detailed progress information to DHPA Grants Staff during midpoint meeting

#### **(If necessary)**

- ☐ Subgrantee advises DHPA of any problems that may affect the project budget, timetable, or scope of work
- ☐ Subgrantee submits written request for amendment to project budget, timetable, or scope of work
- ☐ Subgrantee receives approval of request for amendment to project budget, timetable, or scope of work

### **Reimbursement Requests**

Refer to Step 5, Step 8, Appendix D, Appendix E, Appendix F, Exhibit 2, and Exhibit 3

- ☐ Subgrantee organizes invoices and documentation, submits first reimbursement request
- ☐ Subgrantee receives, signs, and returns claim voucher for processing
- ☐ Subgrantee organizes invoices and documentation, submits second reimbursement request
- ☐ Subgrantee receives, signs, and returns claim voucher for processing
- ☐ Subgrantee organizes invoices and documentation, submits subsequent reimbursement requests
- ☐ Subgrantee receives, signs, and returns claim vouchers for processing

### **Press Releases (Optional)**

Refer to Appendix G and Appendix H

- ☐ Subgrantee prepares draft of press release including required federal acknowledgment
- ☐ Subgrantee mails, faxes, or e-mails press release to DHPA Grants Staff for review
- ☐ Subgrantee receives input from DHPA Grants Staff, makes revisions and corrections as needed
- ☐ Subgrantee mails, faxes, or e-mails revised press release to DHPA Grants Staff for review
- ☐ Subgrantee receives approval of press release from DHPA Grants Staff
- ☐ Subgrantee sends press release to local media

### **Completion and Close-out of Grant Project**

Refer to Step 9, Step 10, Step 11, Step 12, and Appendix H.

#### **For “Architectural & Historical” and “Archaeological” projects:**

- ☐ Subgrantee submits draft version of grant product to DHPA Grants Staff for review by draft due date
- ☐ Subgrantee receives input from DHPA Grants Staff, makes revisions and corrections as needed
- ☐ Subgrantee submits revised/finalized grant product to DHPA Grants Staff for review by project end date
- ☐ Subgrantee receives written notification of approval and acceptance of final grant product
- ☐ Subgrantee submits final reimbursement request within 60 days of project completion or end date

#### **For “Acquisition and Development” projects:**

- ☐ Subgrantee notifies DHPA Grants Staff that project is nearing completion, schedules final site inspection
- ☐ Subgrantee reviews punch list with Principal Investigator and contractor(s)
- ☐ Subgrantee notifies DHPA Grants Staff that project is 100% complete, with all punch list items addressed
- ☐ Subgrantee attends final site inspection and project close-out meeting with DHPA Grants Staff
- ☐ Subgrantee receives written notification of approval and acceptance of final grant product
- ☐ Subgrantee submits final reimbursement request within 60 days of project completion or end date

## PART II: REQUIREMENTS FOR ALL PROJECTS

The following requirements apply to **all** projects receiving Historic Preservation Fund grant assistance.

- The project will be administered in accordance with the conditions, certifications, and requirements listed in **Appendix A: Conditions and Certifications**.
- The project will be conducted in accordance with the appropriate program-area requirements listed in **Part III: Grant Requirements By Program Area**.
- Subgrantees will abide by the fiscal requirements listed in **Appendix F: Fiscal Requirements** and the circulars issued by the Office of Management and Budget (OMB).
- Subgrantees will abide by the requirements for procurement, the reimbursement process, and allowable costs as listed in **Appendix B: Procurement**, **Appendix D: Preparing Reimbursement Requests**, and **Appendix E: Allowable and Unallowable Costs**.
- Press releases will be issued in accordance with **Appendix G: Press Releases**, and **Appendix H: Acknowledgment of State and Federal Assistance**.

In addition, each project will be governed by all of the following conditions:

### Civil Rights

All grant projects must be administered and conducted in conformance with the **Civil Rights Act of 1964**, and **Section 504 of the Rehabilitation Act of 1973**. **Title VI of the Civil Rights Act of 1964** states that no person will, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance. As amended, Section 504 also prohibits discrimination against the disabled.

### Conflict of Interest Involving Federal Employees

The grant recipient will not use any Historic Preservation Fund monies or funds from other sources, (applied as a matching share) to pay a fee to, or to pay the travel expenses of, current employees of the federal government for consultant services, lectures, attendance at program functions (including HABS/HAER participation), or any other activity in connection with a grant or any subagreement awarded under the grant. Grant recipients are to consult with the DHPA when the potential for such a conflict arises. This prohibition is in accordance with **18 USC 209**, which stipulates that federal employees whose employment has not terminated will not receive supplemental compensation for their services in their capacity as federal government employees.

### Conflict of Interest Involving State Employees

No member, officer, or employee of the Division of Historic Preservation and Archaeology, including the Indiana Historic Preservation Review Board, will have any interest in this agreement or the proceeds thereof, except that such persons may provide technical, consultative, or oversight assistance in a voluntary capacity (i.e., unpaid, and the time not charged to the required matching share for the Historic Preservation Fund grant). A waiver may be requested if it is determined that such an exception will serve to further the purposes of the subgrantee's overall program.

### Contingency Funds

No grant funds may be set aside for contingency purposes on development projects. Grant funds may be paid out only toward the actual costs incurred under the line items specified in the Project Notification budget. DHPA staff will make every effort to help grant recipients structure their project, scope of work, bid documents, etc., so as to minimize costs and reduce the possibility of being overcharged by contractors. In this way the project will be able to stay as close as possible to the original budget. These practices should help to minimize unforeseen costs, and therefore cancel the need for contingency funds. If unforeseen costs arise that push the project over budget, the DHPA staff will make every effort to reallocate additional funds to this project, if such funds are available at the end of the grant cycle. However, it is the grant recipient's responsibility to bear all costs over and above the project budget. Therefore, it is in the best interest of both the subgrantee and the DHPA to work to keep costs as low as

possible, to investigate potential problems that could affect the overall project budget, to work to mitigate these problems, and to schedule work items or modify the scope of work to accommodate such situations.

### **Contingent Fees**

No person, agency, or other organization may be employed or retained to solicit or secure a grant or contract upon agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this prohibition, the State will have the right to annul the grant without liability or, at its discretion, to deduct from the grant or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, or to seek such other remedies as may be legally available.

### **Convict Labor**

In accordance with **Executive Order 11755**, no person undergoing a sentence of imprisonment at hard labor will be employed on any grant-assisted project. (Labor performed by state prisoners who are on work-release, parole, or probation does not fall under this prohibition.)

### **Disclosure of Information**

Grant recipients should be aware that information provided to the State in the course of this grant (including financial documentation) is considered to be public record and subject to disclosure under **Indiana's Public Record Law (IC 5-14-3)** and the **Freedom of Information Act, 5 USC 552** (unless the grant recipient is determined to be exempt and information is not to be disclosed under those statutes or **Section 301** of the **National Historic Preservation Act**). In addition, the State and the National Park Service have the right, unless otherwise specified in the grant agreement, to use and disclose program and project data. However, there may be some information that a grant recipient may wish to remain confidential. Such items must be clearly and prominently identified to the State at the time the information is within the limits imposed by state and federal regulations on public disclosure. Note that the State retains the right not to reveal the exact location of historic, architectural, or archaeological sites identified as a result of a grant assisted project if the State feels that this is necessary for the protection of such sites.

### **Discrimination in Employment Prohibited**

In all hiring or employment made possible by or resulting from grant awards, each employer:

- Will not discriminate against any employees or applicants for employment because of race, color, religion, sex, age, or national origin; and
- Will take affirmative action to ensure that applicants are employed, and that employees are treated without regard to their race, color, religion, sex, age, or national origin during their employment.

This requirement applies to, but is not limited to, the following:

- Employment promotion, demotion, or transfer;
- Recruitment;
- Layoff or termination;
- Rates of pay or other forms of compensation; and
- Selection for training, including apprenticeship.

The grant recipient will comply with all applicable statutes and Executive Orders on equal employment opportunity. Grant awards will be governed by the provisions of all such statutes and Executive Orders, including (but not limited to) enforcement provisions as implemented by Department of the Interior policies, published in **43 CFR 17**.

### **Dual Compensation**

If a grant recipient's staff member or consultant is involved simultaneously in two or more projects supported by any federal funds, and compensation on either project is based upon a percentage of time spent, the total compensation from any federal funds during this period of dual involvement is limited to an amount not to exceed 100% of that person's time.

### **Examination of Records**

The State of Indiana, the U.S. Department of the Interior, the Comptroller General of the United States, and/or any of their authorized representatives will have the right of access to any books, documents, papers, or other records of the grant recipient that are pertinent to the grant in order to make audit, examination, excerpts, and transcripts. See Appendix F: Fiscal Requirements.



### **Hiring Practices**

All persons engaged to work on a grant assisted project, either as regular paid staff members of the grant recipient or as consultants hired on a contractual basis, must be selected in accordance with **appropriate competitive and nondiscriminatory procurement standards**. See Appendix B: Procurement.

### **Nondiscrimination on the Basis of Disability**

**Section 504** of the **Rehabilitation Act of 1973 (Public Law 93-112, as amended, 29 USC 794 et seq.)** requires that no qualified disabled individual is solely, by reason of disability, excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal assistance. Grant recipients must operate their grant-assisted program so that the program, when viewed in its entirety, is readily accessible to and usable by qualified disabled persons. In addition, no qualified disabled person will, on the basis of disability, be subjected to discrimination in employment under the grant program.

### **OMB Circulars**

Compliance with Office of Management and Budget Circulars will be required as outlined in the Award Letter. Copies of specific circulars can be obtained from EOP Publication Services, Office of Management and Budget, 725 17th Street NW, Room 2200, Washington, D.C. 20503, phone (202) 395-7332.

### **Political Activities**

The grant recipient must administer this project in a manner consistent with the provision of **18 USC 1913**; costs associated with activities to influence legislation pending before Congress or the Indiana General Assembly, commonly referred to as “lobbying,” are unallowable as charges to the grant, either on a direct or indirect cost basis. In addition, no expenditure of grant funds may be made for the use of equipment or premises for political purposes, sponsoring or conducting a candidate’s meeting(s), engaging in voter registration or voter transportation activities, or other partisan political activities.

### **Publications**

Publications and other public dissemination of information made possible by grant assistance must acknowledge support from the National Park Service, U.S. Department of the Interior, and the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology by use of the statements listed in Appendix H: Acknowledgment of State and Federal Assistance.

### **Reports, Records, and Inspections**

The grant recipient will submit financial, progress, and other reports as required by the State. Grant recipients and their contractors will permit on-site inspections by state representatives, and will effectively require employees to furnish such information as (in the judgment of the State) may be relevant to a question of compliance with grant conditions.

### **Safety Precautions**

The State assumes no responsibility with respect to accidents, illnesses, or claims arising out of any work performed under a grant supported project. The grant recipient is expected to take necessary steps to insure itself and its personnel and to comply with the applicable local, state, or federal safety standards, including those issued pursuant to the **National Occupational Safety and Health Act of 1970**.

### **Scope of Work**

Grant recipients will complete the project according to the proposed scope of work spelled out in the Project Notification. A request for a change can be made, but the change will not be enacted unless a scope of work amendment is formally requested by the subgrantee and subsequently approved in writing by the DHPA.

### **Special Conditions**

The terms of the grant award may include standard and/or special provisions that are considered necessary to obtain the objectives of the grant, facilitate post award administration of the grant, conserve grant funds, or otherwise protect the interests of the state and/or federal government. Any such conditions will be found in the SHPO’s grant

Award Letter or the Project Notification. Failure to comply with any such conditions may cause disallowance of certain costs.

#### **Timeliness of Project Work**

The grant recipient must commence work on the project within a reasonable amount of time after the grant is awarded. **Note that adequate progress towards the procurement of goods and services must be demonstrated during the first quarter of the project. Failure to show demonstrable progress on project procurement during this time may result in cancellation of the grant,** with the project funds being transferred to the top-ranked unfunded proposal. Even if a proposed project is not set to begin during the first quarter of the program cycle, subgrantees are still responsible for making progress on securing goods and services for the project. Costs incurred beyond the end date of the project will not be reimbursed without prior written permission from the DHPA.

## PART III: GRANT REQUIREMENTS BY PROGRAM AREA

### Architectural & Historical Survey Projects Must:

- Be conducted in accordance with the *Secretary of the Interior's Standards and Guidelines for Planning, Identification, Evaluation and Registration*;
- Be conducted in accordance with the *Indiana Historic Sites and Structures Inventory Survey Manual for Architectural and Historical Resources*;
- Meet all applicable requirements of this Grants Manual;
- Meet any additional requirements listed in the Award Letter and Project Notification; and
- Include, in addition to the products specified in the Survey Manual, one set of twenty-four (24) 35mm color slides (or a number predetermined by the DHPA) depicting outstanding and/or notable rated properties representative of the survey area.

While only one set of survey forms is normally completed (and submitted to the DHPA), subgrantees may wish to prepare a second set for retention by a local organization or governmental agency. The DHPA encourages this, and would consider the costs associated with the production of a second set as an allowable grant expense (with prior written approval).

### Archaeological Investigation Projects Must:

- Be conducted in accordance with the *Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation*;
- Be conducted in accordance with the *Guidebook for Indiana Historic Sites and Structures Inventory -- Archaeological Sites*;
- Be conducted in accordance with **IC 14-21-1** and **312 IAC 21** and **22** concerning state permits for archaeological investigations;
- Include any changes or revisions as required by the DHPA Archaeological Staff following their review of the project;
- Meet all applicable requirements of this *Grants Manual*; and
- Meet any additional requirements listed in the grant Award Letter and Project Notification.

### National Register Projects Must;

Meet any additional requirements listed in the grant Award Letter and Project Notification.

- Be conducted in accordance with the *Secretary of the Interior's Standards and Guidelines for Planning, Identification, Evaluation, and Registration*;
- Be conducted in accordance with *National Register Bulletins 15, How to Complete the National Register Registration Form*, and *How to Complete the National Register Multiple Property Documentation Form* issued by the National Park Service explaining the National Register process and requirements;
- Be conducted in accordance with the instructions contained in the DHPA's National Register Application Packet;
- Include, as part of the final product, two sets of recent black and white photographs meeting National Register Standards, and measuring at least 5" X 7";
- Include one set of twenty-four (24) 35mm color slides depicting outstanding and/or notable rated properties representative of the collection of resources for which National Register nomination is being sought (the actual number of slides requested may be more or less, and will be specified in the Project Notification);
- Meet all applicable requirements of this *Grants Manual*; and
- Meet any additional requirements in the grant Award Letter and Project Notification.

**Historic Preservation Planning Projects Must:**

- Be conducted in accordance with the *Secretary of the Interior's Standards and Guidelines for Historic Preservation Planning*;
- Be conducted in accordance with the State's established Comprehensive Historic Preservation Plan;
- Be conducted in accordance with previous state-sponsored historic contexts;
- Meet all applicable requirements of this *Grants Manual*; and
- Meet any additional requirements listed in the grant Award Letter and Project Notification.

**Publication Projects Must:**

- Relate information that is consistent with the appropriate *Secretary of the Interior's Standards and Guidelines*;
- Be in a format consistent with other DHPA publications;
- Be printed on minimum 30% recycled paper stock;
- Be reviewed for content and approved by the DHPA prior to publication;
- Acknowledge state and federal involvement, and include nondiscrimination statements, in wording approved by the DHPA. **See** Appendix H: Acknowledgment of State and Federal Assistance;
- Provide for the free distribution of all copies printed with federal grant money and matching funds, unless previous arrangements have been made with the DHPA;
- Provide for the distribution of some number of publications to the DHPA at no charge (the precise quantity will be set forth in the Project Notification);
- Meet all applicable requirements of this *Grants Manual*; and
- Meet any additional requirements listed in the grant Award Letter and Project Notification.

**Development Projects Must:**

- Be carried out in accordance with the *Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Properties (Preservation, Rehabilitation, Restoration, and Reconstruction)*, as appropriate;
- Be carried out according to plans and specifications that have been reviewed and approved in writing by the DHPA staff prior to the initiation of any contracts and work;
- Include a project sign that acknowledges state and federal involvement and is posted in a conspicuous location on the property for the duration of the project; required wording can be found in Appendix H: Acknowledgment of State and Federal Assistance (note, however, that a project sign normally will be provided to the subgrantee by the DHPA);
- Include any remedial work as required by the DHPA Grants Staff and/or Historical Architect following their review of the project;
- Include a provision for public access, if required. **See** Appendix I: Protective Covenants and Public Access Requirements for Development Projects;
- Include the granting of protective covenants to the State for a limited period of time, depending on the funding level involved. **See** Exhibit 4;
- Include a Final Project Report that provides photo-documentation of the completed work;
- Meet all applicable requirements of this *Grants Manual*; and
- Meet any additional requirements listed in the grant Award Letter and Project Notification.

## Appendix A: Conditions and Certifications

The following federal conditions and certifications were included in the DHPA grant application packet and are considered to be part of all grant project agreements:

- Certification of Matching Share;
- Statement of Understanding;
- Part V Assurances;
- Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion; and
- Assurance of Compliance, Title VI, Civil Rights act of 1964.

Subgrantees who did not retain copies of the signed originals of these documents or who have misplaced their copies of these forms may contact the DHPA for replacements.

Other items that require the signature of an authorized agent of the subgrantee organization, and which must be submitted to the DHPA before the grant project may begin include:

- Formal letter of grant acceptance;
- Construction Assurances or Non-construction Assurances, depending on the type of project;
- General Grant Conditions;
- W-9 Taxpayer Identification Form (if not already on file with the State).

For development projects, please note that grant funds may not be disbursed until the following item has been fully executed (although this does not prevent work from being initiated on the project):

- Covenant Agreement encumbered on the legal title of the property. See Appendix I, and Exhibit 4.

Other project-specific conditions included with the grant Award Letter and Project Notification are not listed above; subgrantees should review their Award Letters for information on any other conditions or project-specific requirements.

## Appendix B: Procurement

### PART I: GOODS AND SERVICES COVERED BY PROCUREMENT REQUIREMENTS

When public money from the Historic Preservation Fund Program is used to procure goods and/or services for a grant project, the purchases must be made in compliance with state and federal standards for fair procurement. These standards vary in accordance with the size and nature of the purchase. Generally, the goods and/or services that must be procured fall into the following three categories:

#### Personal or Contractual Services

Subgrantees often must hire additional staff or contract with consultants and/or contractors to complete grant projects. In either case, an open selection process must be used to ensure that qualified workers are engaged at a reasonable price. New employees hired to work on the grant project must be selected from a pool of qualified applicants located after advertising in local papers or otherwise making the position known to potential candidates. All of the subgrantee's hiring practices must be conducted in accordance with state and federal regulations prohibiting discrimination on the basis of age, sex, race, color, or disability. Workers engaged by the subgrantee on an hourly, salaried, or volunteer basis are considered to be the subgrantee's employees. In many cases, a subgrantee finds it advisable to engage a professional contractor or consultant to serve as the principal investigator on the project or to provide some other specialized service. These professionals and consultants are hired on a contractual basis, usually agreeing to provide a certain product or service for a fixed price. Such contractors are not considered to be employees of the subgrantee organization.

#### Supplies

Single items costing **less than \$300** and purchased solely for grant purposes are considered to be supplies. Subgrantees who are universities or local governments usually have in place an adequate system by which these purchases are made. All subgrantees are expected to exercise reasonable care to ensure that such purchases are made at or below fair market value. The DHPA will ordinarily not question purchases of this size, as long as the items bought are necessary and useful to the completion of the project, and the costs paid are properly documented and appear reasonable. The subgrantee may be asked to justify purchases that do not meet these standards.

#### Equipment

Single items costing **more than \$300** are generally considered to be equipment and may be purchased only with prior written permission from the DHPA. If such permission is given, the DHPA will provide further instruction (on a case-by-case basis) regarding procurement requirements. At a minimum, these will include the gathering of several price quotations from qualified vendors. **Note** that the DHPA and the National Park Service are reluctant to allow grant funds to be used for equipment purchases, since these items often may be used for non-grant purposes later.

Procurement transactions must be conducted in a manner that provides maximum **open and free competition**. Procurement procedures must not restrict or eliminate competition. Examples of restriction of competition include but are not limited to: placing unreasonable requirements on firms in order for them to qualify to do business, noncompetitive practices between firms, organizational conflicts of interest, and unnecessary experience and bonding requirements. **When Historic Preservation Fund grants are used to procure supplies, equipment, or personal or contractual services, competitive sealed bids must be publicly solicited through direct invitation to bid and/or through formal advertising.** A fixed-fee price contract (lump-sum or unit price) will be awarded to the contractor whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price and is most advantageous to the subgrantee, considering the price and any discounts or transportation costs, and the contractor's experience and skill level, reputation, and ability to fulfill the contract. Note that there may be instances where a contractor is not the lowest bidder, but can guarantee higher quality work for a reasonable price. When such situations can be documented and justified, it often makes sense to hire this bidder instead of the lowest bidder. For example, a roofing contractor that deals primarily with slate roofs would be preferable to a lower bidding contractor with little or no experience working with slate roofs, assuming that the difference in cost between the two bids is reasonable.

## PART II: AN OVERVIEW OF THE PROCUREMENT PROCESS

The following requirements apply to **all** grants:

- The subgrantee must seek qualified bidders through an **open selection process** that includes at a minimum:
  - a. Preparation of a **bid proposal** specific enough to allow a vendor to prepare an appropriate bid. The proposal must include information on the work to be performed, qualifications that must be met, deadlines, compliance with certain standards and regulations, and the involvement of federal grant funds.
  - b. Submission of all bid documents and contracts to the DHPA for approval. **Note** that bid documents and contracts may not be distributed without written approval of these documents from the DHPA.
  - c. Advertising the opportunity through direct invitation to bidders and/or by formal advertisements placed in local and statewide newspapers. The bid period must span a minimum of fourteen (14) days. **Note** that newspaper advertisements are required only for procurements of goods or services expected to cost near or over \$25,000; newspaper advertisements are optional for procurements of goods or services expected to be less than \$25,000.
- The subgrantee must provide evidence that:
  - a. The fee for services rendered is appropriate considering the qualifications of the contractor, their normal charges, and the nature of the services to be provided; and
  - b. No contractor of equal qualifications, experience and skill level, and reputation is available for a lesser amount.
- After the open selection process, the DHPA must approve the qualifications of the contractor before the hiring process is completed. Consultants must meet the requirements of **36 CFR 61**, when required (**see** Appendix J: Federal Requirements for Principal Investigators). Contractors who have failed to perform adequately on past preservation projects may be rejected (whether the project was funded by the DHPA or the project was reviewed by the DHPA in the course of administering state and federal preservation programs in Indiana). **The grant recipient is cautioned not to make commitments to any parties prematurely as this may constitute a violation of fair procurement standards.**
- The grant recipient **may not** sign contracts with consultants, suppliers, or contractors for any aspect of project work until all of the following steps have been completed:
  - a. They have received written notification from the DHPA that the project application has been approved for funding by the State Historic Preservation Review Board and the National Park Service; and
  - b. They have been notified of the project start date – entering into a contract prior to project approval constitutes pre-arrangement costs, which may not be allowable or reimbursable;
  - c. They have received written approval from the DHPA of drafts of the bid documents and contracts; and
  - d. They have submitted a formal “request to hire” letter, accompanied by the appropriate procurement documentation, and have received written approval of their choice of consultant or contractor from the DHPA.

## PART III: INITIATING PROCUREMENT

### Preparing the Bid Documents

The subgrantee must have written selection procedures in place for procurement transactions to be approved. Bids must be solicited from an adequate number of known consultants, suppliers, or contractors for a minimum period of **fourteen (14) calendar days**.

The bid documents (and subsequently the contract documents) **MUST** include the seven following parts:

1. **A clear and accurate description of the technical requirements** for the materials, products, or services to be procured, and a **clear definition or description of the work items or services being sought**. However, such description must not contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured, and will set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. (For example, the work must meet *Secretary of the Interior's Standards and Guidelines for the Treatment of Historic Properties*.) Included in this section should be references to any **specifications and pertinent attachments** (such as Preservation Briefs, Tech Notes, or samples of similar products).
2. **A list of all requirements that bidders must meet** and all other factors to be used in evaluating bids or proposals, such as prior experience working with slate roofing, previous experience in completing National Register nominations, etc.
3. **A payment schedule** for the reimbursement of contracted work. The DHPA normally withholds 15% of the total grant amount until the Program Area Staff has reviewed the completed project and found it to be in compliance with the applicable *Secretary of the Interior's Standards and Guidelines* and all other state and federal requirements. As a precautionary measure, subgrantees are urged to adopt a similar measure (15% contract retention until work is approved by the DHPA) to help guarantee that contract work will be completed successfully and in compliance with all of the project requirements, and that any necessary remedial work will be completed in a timely manner.
4. **A deadline for the submission of bids.**
5. **A deadline for the completion of work.**
6. **A termination for breach of contract clause**, which explains how the subgrantee may enact it, and the administrative, contractual, or legal remedies available to the subgrantee. Such language must describe the conditions under which the contract may be terminated for default, as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor. The following wording is only a sample of such a clause, and this wording may not be appropriate for all projects. Subgrantees are strongly encouraged to modify the following language as they see fit for their particular project and to seek legal advice for appropriate wording.

### Termination For Breach of Contract

If the contractor fails to perform the work in an acceptable manner, the owner may give notice in writing to the contractor and his surety of such failure or refusal, specifying the same and directing what action shall be taken. Any one of the following will be considered sufficient justification for such notice:

1. Failure to begin the work under the contract within the time specified.
2. Failure to perform the work with sufficient supervision, workmen, staffing, equipment, and materials to insure the prompt completion of said work.
3. Unsuitable and/or unsatisfactory performance of the work.
4. Neglecting to or refusing to remove/replace defective materials and workmanship, or failure to perform anew such work as may have been rejected by the owner.
5. Discontinuing the prosecution of the work or any part of it.



6. Inability to finance the work adequately.

7. If, for any other reason, the contractor fails to carry on the work in an acceptable manner.

If the contractor, or his surety, within a period of ten (10) days after such notice does not proceed in compliance therewith, then the owner shall have full power and authority, without violating the contract, to take the prosecution of the work out of the hands of said contractor, to appropriate or use any and all materials and equipment on the grounds as may be suitable and acceptable, and may, at his option, turn the work over to the surety, or enter into an agreement with another contractor for the completion of the contract according to the terms and provisions thereof, or he may use such other methods as, in his opinion, shall be required for the completion of said contract in an acceptable manner. All costs of completing the work under the contract shall be deducted from any monies due or that may become due of said contractor. In case the expense so incurred by the owner may be less than the sum that would have been payable under the contract if it had been completed by said contractor, then said contractor shall be entitled to receive the difference, but in case such expense shall exceed the sum that would have been payable under the contract, then the contractor and his surety shall be liable and shall pay to the owner the amount of said excess. By taking over the prosecution of the work, the owner does not forfeit the right to recover damages from the contractor or his surety for his failure to complete the work within the time specified.

7. **Required federal language.** The bid documents (and subsequently the contract documents) must include the following language verbatim:

- This project is funded in part by a grant from the U.S. Department of the Interior, National Park Service's Historic Preservation Fund Program, and is being administered by the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology. Compliance with all applicable federal, state, and local laws, rules, and regulations is required.
- The *Secretary of the Interior's Standards and Guidelines* are made part hereof by reference and must be complied with in this project.
- The Indiana Department of Natural Resources, the Indiana State Auditor, the U.S. Department of the Interior, the Comptroller General of the United States, or any of their duly authorized representatives, will have access to any books, documents, papers, and records of the contractor that are directly pertinent to that specific contract, for the purpose of making audit, examination, excerpts, and transcription. Such records must be maintained for three (3) years after closeout of the contract.
- No part of the money appropriated by any enactment of Congress will, in the absence of express authorization by the Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of the U.S. Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation; but this will not prevent officers or employees of the United States or its Departments or Agencies or employees of the State of Indiana from communicating to Members of Congress at the request of any Member, or to Congress through the proper official channels, requests for legislation or appropriations that they deem necessary for the efficient conduct of the public business.
- The project must be carried out in compliance with the Copeland Anti-Kickback Act (18 USC 874) as supplemented in Department of Labor regulations. This act provides that each contractor will be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation of which he or she is otherwise entitled.
- The project must be carried out in compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR 60).

**Development Projects must also include the following federal language verbatim:**

- The project must be carried out in compliance with mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
- All contractors participating in projects receiving federal assistance must take the necessary steps to insure themselves and their personnel, and to comply with the applicable local, state, or federal safety standards including those issued pursuant to the National Occupational Safety and Health Act of 1970.
- The project must be carried out in compliance with Section 401 of the Lead-Based Paint Poisoning Prevention Act (Public Law 91-695, 84 Stat. 2078, as amended by Public Law 93-151, 48 USC 4801 et. seq.), which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. (This item may not apply to all development projects and may be omitted if not applicable.)
- Minimum standards for facilities to be used by the disabled are to be included in the project specifications to the maximum extent possible for any historic preservation construction grant (consistent with the *Secretary of the Interior's Standards for Rehabilitation*), as required by the Architectural Barriers Act of 1968, as amended (Public Law 90-480, 42 USC 4151 et. seq.), and Section 502 of the Rehabilitation Act of 1973 (Public Law 93-112, as amended, 29 USC 792). (This item may not apply to all development projects and may be omitted if not applicable.)

**Procurements Less Than \$25,000**

Any procurement of goods and/or services that is expected to be less than \$25,000 may be handled by direct invitation to bid sent to a minimum number of qualified bidders. After approval of the bidding documents by the DHPA Grants Staff, the invitation to bid must be mailed to a minimum of five (5) qualified bidders. Invitations to bid should be sent by certified mail with a return receipt card. This return receipt will provide the proof that the invitation to bid was mailed in the event that the invited contractor does not respond. In order to satisfy state and federal fair procurement standards, it is important to be able to document that an acceptable minimum number of qualified bidders was included in the bidding opportunity. If fewer than five (5) bidders respond, fair procurement standards are satisfied so long as the subgrantee can prove that it made a good faith effort to secure at least five (5) bids. Therefore, it is imperative to maintain documentation of the invitation to bid mailing by return receipt cards. Grant recipients are strongly encouraged to send direct invitations to bid to more than five (5) potential bidders whenever possible.

If the subgrantee anticipates that a procurement of goods and/or services may be close to \$25,000, it is usually best to formally advertise the bidding opportunity in the newspaper (as explained below) and also send direct invitations to bid. If no newspaper advertisements are placed and all responses to direct invitations yield bids in excess of \$25,000, the bidding is void and must be rebid with formal advertisements in newspapers.

**Procurements Greater Than \$25,000**

Any procurement of goods and/or services that is expected to equal or exceed \$25,000 must be formally advertised in a major newspaper that covers the area affected by the project, as well as in a minority newspaper serving a similar area. Contact the DHPA for a listing of the appropriate newspapers in which to place public advertisements. The ads must be placed **at least fourteen (14) days prior to the bid date**, and must run at least one time per week for two consecutive weeks. The advertisement **must** state that the project is funded in part by a grant from the U.S. Department of the Interior, National Park Service's Historic Preservation Fund Program, administered by the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology, and that compliance with all applicable federal, state, and local laws, rules, and regulations is required. Minimum documentation of formal advertising for audit purposes consists of a copy of the actual advertisement run in the appropriate newspapers or a publisher's affidavit and invoice showing the dates that the advertisements were published. Note that the costs of newspaper advertisement are reimbursable under the grant, although these costs may not have been written into the original project budget.

Although newspaper advertisement is mandatory for procurements over \$25,000, subgrantees are strongly encouraged to supplement the newspaper advertisements by also sending out direct invitations to bid. This will help to ensure that the bidding opportunity is brought to the attention of qualified local contractors who might not learn of the project through the newspaper advertisement. There is no minimum number of contractors that must be invited in this instance.

In an effort to keep newspaper advertising costs to a minimum, the bid advertisement prepared for newspapers may use the abbreviated version of the required federal language given below. Newspaper advertisements may also contain an abbreviated termination for breach of contract clause. **Note, however, that all direct invitations to bid MUST use the full-length version of these statements given above.**

Abbreviated federal language for use in newspaper advertisements ONLY:

- This project is funded in part by a grant from the National Park Service's Historic Preservation Fund Program, as administered by the Indiana Division of Historic Preservation and Archaeology. Compliance with all applicable federal, state, and local laws, rules, and regulations is required.
- The *Secretary of the Interior's Standards and Guidelines* are made part hereof by reference and must be complied with in this project.
- The Indiana Department of Natural Resources, the Indiana State Auditor, the U.S. Department of the Interior, and the Comptroller General of the United States will have access to any books, documents, papers, and records related to the grant project for a period of three (3) years.
- No part of the federal grant funds may be used for lobbying purposes, or to influence federal legislation or lawmakers.
- The project must be carried out in compliance with the Copeland Anti-Kickback Act (18 USC 874) as supplemented in Department of Labor regulations.
- The project must be carried out in compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations.
- The project must be carried out in compliance with mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
- All contractors must take the necessary steps to insure themselves and their personnel, and to comply with the applicable safety standards and the National Occupational Safety and Health Act of 1970.
- The project must be carried out in compliance with Section 401 of the Lead-Based Paint Poisoning Prevention Act, which prohibits the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance. (This item may not apply to all development projects and may be omitted if not applicable.)
- Minimum standards for facilities to be used by the disabled are to be included in the project specifications to the maximum extent possible for any historic preservation construction grant as required by the Architectural Barriers Act of 1968. (This item may not apply to all development projects and may be omitted if not applicable.)

## **PART IV: COMPLETING PROCUREMENT**

### **Preparing the Contract Document**

Once the invitation to bid has been sent out, it is a good idea to begin preparing the contract document. This will help save time later when the DHPA has approved of the subgrantee's request to hire a contractor. The contract **MUST** contain all of the same project requirements and required state and federal language as did the invitation to bid, as well as the deadline for the completion of work, the termination for breach of contract clause, and the payment schedule. Once the bidding document has been approved, the subgrantee may simply revise it to create a contract document. The subgrantee will need to insert the subgrantee organization's name and the contractor's name, the fee to be paid for the goods and/or services to be provided, and lines for signatures. The DHPA will need to review and approve the contract document before it is released for signature.

### **Selecting a Bidder**

It is not always necessary to award the contract to the lowest bidder. There may be instances where a contractor is not the lowest bidder, but can guarantee higher quality work for a reasonable price. When such situations can be documented and justified, it often makes sense to hire this bidder instead of the lowest bidder. For example, a roofing contractor that deals primarily with slate roofs would be preferable to a lower bidding contractor with no experience working with slate roofs, assuming a modest cost difference between the two bids. Remember that a contract for any aspect of project work cannot be entered into without the prior written approval of the DHPA.

If unusual circumstances arise surrounding the awarding of contracts, the DHPA should be consulted. Examples of unusual circumstances are failure to receive a sufficient number of bids, great disparity in bid quotations, or intent to award a contract to someone other than the lowest bidder. The subgrantee must maintain records sufficient to detail the significant history of any procurement. These records will include, but are not necessarily limited to, information pertinent to the following: rationale for the method of procurement, selection of contract type, all bids received, contractor selection or rejection notices, and the basis for the cost or price of the goods and/or services to be provided.

### **Preparing the "Request to Hire"**

Once the subgrantee has selected a bidder, written approval of this selection must be obtained from the DHPA before a contract for services is signed. The subgrantee should send the DHPA a formal "request to hire" letter that includes all of the following parts:

- ✓ A brief history of the procurement process that indicates which contractors received direct invitations to bid (documented by copies of certified mail receipts) and which newspapers ran advertisements of the bidding opportunity (documented by photocopies of the advertisements or, if available, publisher's affidavits and invoices from the newspapers);
- ✓ A list of all bidders with their bid price (documented by a photocopy of each bid showing the bidder's name and price, but note that a photocopy of each bid in its entirety may not be required if the bids are extremely lengthy);
- ✓ An explanation of bidding irregularities, if any;
- ✓ A justification for hiring someone other than the low bidder, if applicable;
- ✓ A statement formally requesting to hire one specific contractor for the fixed-fee amount quoted.

Contract awards will be made only to responsible contractors that possess the potential ability to perform successfully under the terms and conditions of proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of acceptable past performance, and financial and technical resources available. Contract awards will not be made to a contractor or professional who has developed or drafted, on behalf of the subgrantee, bid specifications, project requirements, statement of work, invitation for bids, and/or request for proposals for a particular procurement as any of these situations would constitute a conflict of interest.

**Signing the Contract**

After the DHPA provides written approval of the contractor selection and the contract document, the contract may be signed and work may proceed on the project. A copy of the signed contract must be provided to the DHPA for the project file.

**A Final Note on Procurement**

Because the procurement process can be very time consuming, and because this is a critical part of getting any project off the ground, the DHPA Grants Staff will make every effort to review bid and contract documents as quickly as possible. Bid and contract documents may be mailed, faxed, or e-mailed to the Grants Staff for review. If faxing documents, it is recommended that subgrantees call the Grants Staff to alert them to the incoming fax. If the Grants Staff knows to watch for an incoming fax, they can often review the documents that same day and then provide a quick response to the subgrantee. Verbal approval of bid and contract documents is often given over the telephone and followed with written notification. This approach can save many days over sending documents back and forth through the mail. Procurement documents may also be submitted to the Grants Staff electronically via e-mail (in MSWord format). Refer to the fax and e-mail contact information given on page 1. **Do not hesitate to contact the DHPA Grants Staff with any questions about procurement.**

## Appendix C: Preparing Progress Reports

One of the monitoring procedures for subgrants is the quarterly submission of Progress Reports (see Part I, and Exhibit 1). Progress Reports are required for the DHPA Grants and Program Area staff to stay informed of the status of the project, any delays or difficulties, and the degree of completion in each quarter. The Progress Report form is included in this Manual (see Exhibit 1). The entire form should be completed thoroughly and accurately.

- Fill in the blanks for subgrantee name, grant name, grant number, and period covered.
- Provide an estimate of the **total project funds** and the **grant funds** expended during the quarter and to date. The DHPA Grants staff encourages subgrantees to keep a project budget spreadsheet for their records that identifies approved line-items and amounts. This will also help you estimate the percentage of work completed on the project during the quarter and to date.
- Survey projects, either Architectural & Historical or Archaeological, should estimate the number of properties and/or acres surveyed. If these do not apply to your project, write “NA” in the space provided.
- All projects should indicate if the full grant amount awarded to the project will be used, and if not, the amount anticipated to be unused. This information assists the DHPA Grants staff in planning for the redistribution of any unused funding.
- Projects that will produce a “product” such as a National Register nomination, brochure, publication, archaeology report, etc. should provide an estimate date when a draft of the product will be submitted to the DHPA. **Note** that most draft products are subject to a thirty (30) day review period and therefore must be submitted a minimum of sixty (60) days in advance of the project end date.
- Indicate when the project is expected to be completed, and check the appropriate box. If the project is behind schedule, or the end date is expected to go beyond the original deadline, provide an explanation in the second narrative question regarding the project’s delay. **Note** that providing an estimated completion date that is after the original deadline **does not** constitute an extension request. For example, if the original deadline is April 30 and the project will not be finished until May 30, the subgrantee should contact the DHPA Grants staff to discuss the circumstances, and must submit a letter with an explanation and request for an extension of the project end date.
- **IMPORTANT:** Provide a **detailed** list, summary, or explanation of the work that was completed in the quarter, and indicate the work items that remain to be accomplished. Remember that certain intangible work items such as procurement and contracting do constitute progress and should be reported. You should consult the Award Letter and Project Notification for your grant to assess the progress of your project based on the work items that were enumerated in the initial paperwork.
- **IMPORTANT:** Discuss any difficulties or delays to the project, particularly ones that affect the timetable, budget, or final product. If serious problems have arisen, contact the DHPA Grants staff immediately.

### Schedule of Progress Reporting:

- |   |   |
|---|---|
| • Report due by <b>July 10</b> .....    | for the period April 1 to June 30, 2003       |
| • Report due by <b>October 10</b> ..... | for the period July 1 to September 30, 2003   |
| • Report due by <b>January 10</b> ..... | for the period October 1 to December 31, 2003 |
| • Report due by <b>April 10</b> .....   | for the period January 1 to March 31, 2004    |
| • Report due by <b>July 10</b> .....    | for the period April 1 to June 30, 2004       |

Grant recipients, particularly Project Coordinators, should be aware that these reports are a strict requirement of the grant award. **Timely submission of reports is very important; late or inadequate reports may result in corrective action such as withholding reimbursement requests, requiring monthly progress reports, or even termination of the grant.** Please note that poor performance adhering to reporting requirements will affect the reputation of the Project Personnel and the Project Sponsor on all future grant applications. It is the responsibility of the subgrantee to abide by the requirements of the grant and meet the progress monitoring deadlines.

## Appendix D: Preparing Reimbursement Requests

### Introduction

Requests for reimbursement, commonly referred to as “claims,” must be arranged in an organized manner in order for the DHPA to process them. To facilitate this, the DHPA Grants Staff has prepared the attached **Reimbursement Request Form** (Exhibit 2). This form is to be used by all of DHPA’s grant recipients. The following instructions explain the use of this form and will answer many commonly asked questions concerning the submission of reimbursement requests. Additional questions should be addressed to the Grants Section, by calling 317-232-1646.

### General Instructions

Claims must include documentation adequate to prove that each expense has been incurred and subsequently paid. **Two kinds of documentation are required: 1) proof of costs incurred; and 2) proof of payments made.** Proof that expenses were incurred can be in the form of copies of invoices, personnel time sheets, or cash receipts. Copies of checks or other payment instruments are required to verify that such costs have actually been paid. Because HPF grants are paid out on a reimbursement basis, it is important to be able to prove that project costs have been incurred and paid.

Claims should be organized according to the expense categories given in the approved budget contained in your Project Notification (attached to your grant Award Letter). The documentation for costs in each category should be assembled into a stapled packet. Each packet should be attached to the Reimbursement Request Form in the order of the line-items in the Project Notification budget. Each packet should also include an adding machine tape totaling the various expenses for that category. The total dollar amount for each category should be entered onto the Reimbursement Request Form that serves as the cover sheet for the claim.

**Note that reimbursement may only be sought for items covered by the budget in the Project Notification.** For example, if the Project Notification includes a line-item for personnel costs but not for fringe benefits, then fringe benefits may not be submitted for reimbursement. The only exception to this rule is newspaper advertisement costs, which may be claimed for reimbursement if required in the procurement process, regardless of whether these costs were included in the original project budget.

For items paid for by check, note the check number on the individual expense documents. Copies of checks should be attached to the individual expense documents (i.e., invoice, cash receipt, time sheet, etc.) to which they relate. Authorized agencies may present check verification printouts obtained from their banking institutions or financial or accounting offices in lieu of checks, if special arrangements have been previously made with the DHPA. Because obtaining canceled checks from the bank often takes more than 30 days, (much longer with out-of-state banks used by subgrantees in the East Chicago, Louisville, and Cincinnati areas) the DHPA Grants Staff will allow subgrantees to submit photocopies of uncanceled checks in order to expedite the reimbursement process. The subgrantees must remember to photocopy the check before it is sent to the contractor for payment.

It is difficult for the Grants Staff to process Reimbursement Requests that do not have the required documentation. Please claim only those items for which proper documentation has been presented unless you have been instructed to do otherwise by the Grants Staff. Often, an invoice, receipt, or other piece of documentation lists several expenses, only some of which relate to the grant project. In such cases, use a yellow marker to highlight those costs for which reimbursement is being requested.

### Assembling Reimbursement Requests

The Reimbursement Request form contains a list of allowable expense categories. These categories relate to the estimated budget appearing on the Project Notification form supplied to you with your grant Award Letter. When assembling your claim, use **ONLY** those expense categories contained in this estimated budget. If you have incurred costs in other categories, contact the DHPA so that your budget can be amended, if appropriate. The budget categories are explained in the following text.

**Personnel**

This category includes the wage expenses of paid staff, but not the hours donated by volunteers. Time sheets are required for all paid personnel expenses (**see** Exhibit 3: Time Work Record). Copies of time sheets must be prepared and signed by each person involved in the project (other than private contractors working on a set-fee basis). They must also be countersigned by the project supervisor. Each individual time sheet must include the dates on which each person worked on the project, the number of hours worked on each date, and the hourly rate applicable for each worker. Subgrantees may use their own forms if they provide all of the necessary information, or they may use copies of the sample form enclosed. Copies of payroll checks must also be provided for all paid personnel.

**Fringe Benefits**

This category includes FICA, insurance premiums, etc.; copies of insurance bills, and payroll deductions are required to document such expenses. Fringes are usually calculated as a percentage of salary costs.

**Travel**

This category includes hotel bills, mileage charges, etc. Copies of travel vouchers or other internal paperwork normally used by the grant recipient to verify mileage costs and other travel expenses incurred by project personnel must be submitted to the DHPA. This paperwork should give the mileage figures and the date that the mileage was accumulated. Note that mileage claims cannot exceed the Indiana State Auditor's rate of \$.28/mile.

**Supplies**

This category includes such items as office supplies, photocopies, and long distance telephone calls that are necessary to complete the project, as well as construction materials that may be used on development projects. Copies of invoices or cash receipts for all supplies or services purchased as part of the grant are required. Photocopies made on an office copier or coin-operated machine require no receipt, but should be documented somehow; this is best done by including a note in the claim, e.g. "23 copies made at \$.10/copy = \$2.30, made at Jonesville Public Library on January 15."

**Design Fees**

This category covers the preparation of architectural plans and specifications as well as architectural supervision required for rehabilitation projects.

**Advertising / Publication**

This category includes the costs of preparing, typesetting, and printing, a publication under the grant project, as well as the costs of advertising invitations to bid in local and regional newspapers. Copies of all invoices and checks associated with any grant project publication or advertisement must be presented for reimbursement.

**Construction / Contractual**

This category covers contractual expenses, i.e., the cost of professionals (consultants or contractors) engaged to work on the project on a contractual basis. A copy of the signed contract must be on file with the DHPA.

**Volunteer**

This category includes the hours donated by volunteers. Time sheets are required for all volunteer personnel (**see** Exhibit 3: Time Work Record). Copies of time sheets must be prepared and signed by each person involved in the project (other than private contractors working on a set-fee basis). They must also be countersigned by the project supervisor. Each individual time sheet must include the dates on which each person worked on the project, the number of hours worked on each date, and the hourly rate applicable for each worker. **Note** that volunteer time is valued at current minimum wage (\$5.15/hour) unless other arrangements have been made with the DHPA. Subgrantees may use their own forms if they provide all of the necessary information, or they may use copies of the sample form enclosed.



**Other**

Items not covered by any of the above should be included in this category with copies of checks for all items and explanations for these items. However, expenses may be claimed in this category **ONLY** if a budget category besides those listed above is included in the Project Notification. Please write the name of the budget category in this space. **Note that indirect costs are not allowable on any project under any circumstances**, unless the subgrantee has made previous arrangements with the DHPA Grants Staff for the reimbursement of itemized overhead items.

**Total Costs**

This entry simply represents the sum of the above entries.

**Funding Level**

This is the agreed upon percentage of allowable reimbursement based on the total costs of the project, as indicated in the Award Letter (i.e., 50% or 70%); note the funding level percentage on this line.

**Reimbursement Requested**

The figure obtained by multiplying the Total Costs by the Funding Level percentage is listed on this line. **Note that figures must be rounded down to the nearest whole dollar.**

**Submitting the Reimbursement Request**

Prepare the Reimbursement Request Form and the required documentation in an orderly and easily understandable manner. It is the responsibility of the grant recipient to submit complete and accurate claims (Reimbursement Request Forms with proper and adequate documentation) prepared in accordance with the instructions given by the DHPA. Failure to prepare claims properly may cause long delays in the reimbursement process. In extreme cases, the DHPA may return the claim unpaid for reorganization and resubmission. Remember to include all copies of invoices, cash receipts, and checks for which reimbursement is being requested. Reimbursement checks cannot be disbursed to participating agencies without the proper documentation on file.

When completing the Reimbursement Request Form, please be sure to complete both columns, as well as all of the lines at the top of the page. Completely filling out both columns will help the subgrantee to track total project expenditures and compare them to the approved budget line-items in the Project Notification. Remember that a difference of more than 10% or \$250, whichever is greater, for any single line-item requires written notification of the DHPA Grants Staff.

After the Reimbursement Request has been processed by the DHPA, a claim voucher for the appropriate amount of reimbursement will be sent to the subgrantee for signature. The claim voucher should be signed by the appropriate agent of the subgrantee organization (usually the Project Coordinator) on the space identified as "Signature of Vendor" at the very bottom of the page. The signed claim voucher must then be returned to the DHPA where it will be processed for payment. Once the signed claim voucher has been received by the Grants Staff, it normally takes about fourteen (14) days for checks to be generated and sent to the DHPA. Ordinarily, reimbursement checks are mailed to the subgrantees on the same day that they are received by the DHPA from the State Auditor's Office. Subgrantees should expect to receive reimbursement checks about three (3) weeks after they submit the signed claim voucher to the DHPA.

## Appendix E: Allowable and Unallowable Costs

The following is a list of possible expenditures or costs associated with many projects. The National Park Service has determined which of these items are **allowable** and **unallowable** project costs. Only allowable costs may be included in the project budget and claimed for reimbursement. **Note** that some items **may be allowable** if certain conditions are met. These conditions must generally be spelled out in the project application, and will be included in the Award Letter and Project Notification. Subgrantees may not claim for reimbursement any items or project costs that were not identified in the project proposal, the Award Letter, and the Project Notification, without written permission from the DHPA.

### Accounting

The cost of establishing and maintaining accounting and other information systems required for the management of grant programs is **allowable**. This includes costs incurred by central service agencies for these purposes. However, the cost of maintaining central accounting records required for overall state government purposes, such as appropriation and fund accounts by the Treasurer, Comptroller, or similar officials, is considered to be a general expense of government, and is **unallowable**.

### Advertising

Advertising media include newspapers, magazines, radio and television programs, direct mail, trade papers, etc. The advertising costs **allowable** are those that are solely for:

- Recruitment of personnel necessary for the grant project;
- Solicitation of bids for the procurement of goods and services required for work on the grant project;
- Notices required by federal or state regulations pertaining to the grant; and
- Other purposes specifically provided for in the grant agreement.

### Appraisals

For projects involving the acquisition of real property, the cost of necessary appraisals is **allowable**.

### Audit Service

The cost of audits necessary for the administration and management of functions related to grant programs is **allowable**.

### Bad Debts

Any losses arising from uncollectible accounts and other claims, and any collection costs, are **unallowable**.

### Bonus Payments

Bonus payments of any kind are **unallowable**.

### Churches

Due to federal “separation of church and state” regulations, direct grant assistance to active religious organizations, or for purposes of rehabilitating properties that are primarily used for religious purposes, is **unallowable**.

### Communications

Communication costs incurred for telephone calls or service, teletype service, wide area telephone service (WATS), centrex, telpak (tie line), postage, messenger service, and similar expenses necessary for and directly related to the grant project are **allowable**. However, these costs must be adequately documented with copies of bills, receipts, or other documents that illustrate clearly the connection between the grant project and the charges incurred. If reimbursement for such charges is anticipated, contact the DHPA for specific instructions; **note** that many subgrantees find that it is not cost-effective to seek reimbursement for any but long-distance telephone expenses.

### **Compensation for Personal Services**

Compensation for personal services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under the grant agreement, including but not necessarily limited to wages, salaries, and supplementary compensation and benefits. The costs of such compensation are **allowable** to the extent that they are adequately documented and reasonable for the services rendered. For private nonprofit organizations and local governments, documentation will include time and attendance records for each employee's work on the grant. Educational institutions must document the efforts of employees who are paid on an hourly basis in the same manner, but can use an OMB-approved time-distribution system to document effort of faculty members. In addition, all subgrantees must provide copies of payroll checks unless they are audited annually by the State Board of Accounts, and have worked out an alternative system of documentation with the DHPA under appropriate OMB standards. See also "Employee Fringe Benefits."

### **Conferences**

Costs associated with attendance at conferences and seminars are **unallowable** unless approved in advance by the DHPA. Such costs may be approved by the DHPA only when they provide necessary training for CLG staff or local commission members, or when the activity will provide a subgrantee with new or unique training that is directly related to and useful for the completion of the project.

### **Contingencies**

Contributions to a contingency reserve or any similar provision for unforeseen events are **unallowable**.

### **Curation**

The cost of curation of artifacts is **unallowable**, except in those cases where archaeological artifacts were discovered in the course of a grant-assisted project and attention is urgently required to prevent the deterioration or loss of the artifacts. In such instances, limited curation costs may be allowable, but only with prior permission from the DHPA. In no case will the DHPA approve such costs in amounts greater than **10%** of the total project budget.

### **Depreciation**

Given the relatively short term of DHPA grants, depreciation is normally considered to be an **unallowable** project cost. Subgrantees who have what they consider to be unusual situations should contact the DHPA.

### **Employee Fringe Benefits**

Costs identified under the two items below are **allowable** to the extent that the total compensation for subgrantee employees is reasonable as defined in "Compensation for Personal Services" (above):

- Benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual, sick, court, or military leave, if:
  - a. They are provided pursuant to an approved leave system; and
  - b. The cost thereof is equitably allocated to all related activities, including grant programs.
- Benefits in the form of employers' contributions or expenses for social security, employees' life and health insurance plans, unemployment insurance coverage, worker's compensation insurance, pension plans, and severance pay, provided that such benefits are granted under approved plans and are distributed equitably to grant programs and to other activities.

### **Entertainment**

The costs of amusement, social activities, and related incidental expenses are **unallowable**.

### **Equipment**

Single tangible items costing in excess of \$300 are considered to be equipment. The purchase of equipment using grant funds or local matching funds is **unallowable** without written permission from the DHPA.

### **Exhibits**

The costs of temporary exhibits relating specifically to the grant project, its accomplishments, or results **may be allowable**, but written permission from the DHPA must be received before such costs are incurred.

### **Fines and Penalties**

The costs resulting from failure to comply with federal, state, or local laws are **unallowable**.

### **Fund Raising**

The costs associated with organized fund raising and solicitations are **unallowable**.

### **Furnishings**

For rehabilitation/restoration projects, the cost of furnishings is **allowable** only when these furnishings are permanently attached items that are integral to building construction, are of documented historic design, and/or are reconstructed based upon documented original furnishings (e.g., ceiling and wall-mounted lighting fixtures, theater seats in a theater rehabilitation, etc.). The purchase of movable pieces of furniture is **unallowable**.

### **General Conditions for Construction Contracts**

This term, used in construction cost estimates, bids, and construction cost documents, refers to the general contractor's provisions and miscellaneous requirements for other contractors and subcontractors, which eliminate the duplication and expense of each trade providing its own temporary facilities. General conditions including, but not limited to, temporary heat, power, lighting, water, sanitary facilities, scaffolding, elevators, walkways and railings, construction office space and storage, as well as daily cleanup, security, and required insurance, permits, and surety bonds, are **allowable** when identified as a line item in the project application. However, **see** "Contingencies," which are **unallowable**.

### **Insurance**

The costs of hazard and liability insurance to cover personnel or property directly related to the grant project are **allowable** during the grant period.

### **Interest**

Interest on borrowings (such as mortgages and other loans), and the legal and professional fees paid in connection therewith, are **unallowable** except when authorized by federal legislation.

### **Interpretive Signs**

The costs of purchasing and installing (but not maintaining) a minimum number of interpretive or informational markers or signs at grant-assisted historic buildings and structures and archaeological sites **may be allowable**, but only with written permission from the DHPA. **See** also "Project Signs."

### **Landscaping**

For development projects, the costs of landscaping are **allowable** only if they fall under one of the following categories:

- The historically documented restoration or reconstruction of gardens, grounds, and grading in order to attain an historic appearance and a compatible setting for an historic property;
- Grading for purposes of drainage, building safety, and protection; or
- Improvements necessary to facilitate access for the disabled.

**Note** that the costs of seeding, sodding, and installing decorative plantings are **unallowable**.

### **Legal Expenses**

The cost of legal expenses required in the administration of a subgrant is **allowable**.

### **Lobbying**

The costs associated with activities or communications designed to influence in any manner a federal, state, or local legislator or official are **unallowable**.

### **Materials and Supplies**

The cost of materials and supplies necessary to carry out the subgrant project is **allowable**. Purchases made specifically for the grant project should be charged at their actual prices after deducting all case discounts, trade discounts, rebates, and allowances received by the subgrantee. Withdrawals from general stores or stockrooms

should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material cost. Materials and supplies charged as a direct cost must include only the materials and supplies actually used for the performance of the contract or grant, and due credit should be given for any excess materials or supplies retained or returned to vendors.

### **Meals**

The cost of meals for subgrantee employees, consultants, and volunteers is **unallowable** except when such persons are on approved travel status in conjunction with activities directly related to the grant project, and these people are being paid a “per diem” pre-approved by the DHPA. See “Travel.”

### **Memberships**

The costs of memberships in professional or technical organizations are **unallowable**, except when **all** of the following are true:

- The benefit from the membership is directly related to achieving grant program objectives;
- The expenditure is for agency membership, not individual membership;
- The cost of the membership is reasonably related to the value of the services or benefits received; and
- The expenditure is not for membership in an organization that devotes a substantial part of its activities to influencing legislation.

### **Payroll Preparation**

The cost of preparing payrolls and maintaining necessary wage records is **allowable**, as long as appropriate cost documentation is supplied.

### **Personnel Administration**

The costs of recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for the Historic Preservation Fund grant program are **allowable**.

### **Plans and Specifications**

For development projects, the costs of producing architectural plans and specifications, shop drawings, and/or other materials required to document development project work according to the *Secretary of the Interior's Standards* are **allowable**. However, these should be identified as a discrete line item in the project budget.

### **Preagreement Costs**

Costs incurred prior to the project starting date are **unallowable**, except with written approval of the DHPA and NPS.

### **Procurement Services**

The costs of all procurement services, including the solicitation of bids, the preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for the subgrant are **allowable**.

### **Project Signs**

The cost of making project signs that acknowledge state and federal grant assistance, and the cost of installing these signs at project sites, are **allowable**. Note, however, that a project sign is normally provided to the subgrantee by the DHPA during the initial inspection and start-up meeting. See Appendix H: Acknowledgment of State and Federal Assistance.

### **Rent**

Rental costs for space used to complete the project are **allowable** during the grant period with prior approval from the DHPA and NPS. When only a portion of the rented space is used for grant activities, the allowable costs must be computed on a pro rata basis.

### **Revolving Funds**

The use of DHPA grant funds for revolving fund activities is **unallowable**.

## **Supplies**

**See** “Materials and Supplies.”

## **Training and Education**

Subgrantees are expected to possess the knowledge and skills necessary to complete their projects when the grant award is made. Consequently, training and education costs for employee development normally are **unallowable**. However, such costs **may be allowable** if the training is of a unique or unusual type not ordinarily available, and if the training is directly related to the grant project and will improve the quality of the final product. In addition, training for staff and commission members of Certified Local Governments may be allowable. In both situations, the subgrantee must have written approval of such costs before they are incurred.

## **Transportation**

Costs incurred for freight, cartage, express postage, and other transportation costs relating to goods either purchased, delivered, or moved from one location to another are **allowable** when necessary for and directly related to the grant.

## **Travel**

In-state travel costs are **allowable** when the travel involved is directly related to the accomplishments of the project, when the subgrantee’s budget includes a line-item for this cost category, and when the costs involved are incurred and documented according to standards and practices acceptable to the State Board of Accounts. Subgrantees that are already audited by the State Board of Accounts on a regular basis (local governments and state universities) may use their established in-state travel regulations, except that mileage charges cannot exceed the Indiana State Auditor’s rate of \$.28/mile. Subgrantees not currently being audited by the State Board of Accounts may either adopt those regulations used by the DHPA, submit a set of proposed travel regulations for DHPA approval, or bill for mileage charges only at the rate of \$.28/mile. Out-of-state travel costs of any kind are **unallowable** unless prior written approval is received from the DHPA. **See** also “Conferences.”

## Appendix F: Fiscal Requirements

Since the DHPA provides financial assistance to grant recipients, it is required by state and federal government regulations to include the following in all grant agreements and contracts:

- The State Board of Accounts, or its designee, will have the right to conduct financial audits of the grant recipient;
- Audits will be performed in accordance with compliance guidelines established by the State Board of Accounts;
- Grant recipients must agree to comply with all reporting requirements prescribed by the State Board of Accounts; and,
- All grant recipients must provide a copy of their audit review to the DHPA for any fiscal year concurrent (in whole or in part) with the period of the DHPA grant.

### Audit Requirements of Grant Recipients

As of September 1, 1986, the State Board of Accounts (or its designee) became responsible for the examination of the records and accounts of entities receiving financial assistance from governmental sources. Entities are defined as providers of goods, services, or other benefits that are maintained in whole or in part at public expense, or supported in whole or in part by appropriations or public funds, or taxation. This definition does not include municipalities, but does include for-profit corporations, and unincorporated associations and organizations. Financial assistance is defined as payments to entities in the form of grants, subsidies, contributions, aid, etc. All organizations must provide the DHPA with a copy of their audit report for any fiscal year concurrent (in whole or in part) with the time period of the DHPA grant.

Non-governmental entities receiving financial assistance from the DHPA in the form of grants are required to file an Entity Annual Report (Form E-1) with the State Board of Accounts. (This form was provided with the Award Letter and other grant initiation paperwork.) This form is due within thirty (30) days of the closing of the grant recipient's fiscal year; it requests unaudited, cash, or accrual basis financial information relating to the receipt and disbursement of governmental funds during the year.

The receipt of grant funds also subjects grant recipients to compliance with state audit requirements described in IC 5-11-1-9 as follows:

- Entities deriving 25% or more of their disbursements from government funding will be subject to a complete organization-wide audit performed in accordance with guidelines established by the State Board of Accounts;
- The audit of grant recipients, deriving at least 25% of their disbursements from government funds will be limited to matters relevant to the use of these grant funds;
- The audit of grant recipients, deriving at least 25% but less than \$25,000 of their disbursements from government funds and who are also incorporated as a not-for-profit, will be limited to matters relevant to the use of these grant funds; and
- All local government units must ensure that the federal funds disbursed by the DHPA are included in the Single Audit conducted on their governmental agency by the State Board of Accounts.

Audit guidelines are available from the State Board of Accounts and should be reviewed prior to contracting for audit services. For additional information about the audit requirements, or to obtain audit guidelines or annual report forms, contact:

**State Board of Accounts  
302 West Washington Street, Rm. E418  
Indianapolis, Indiana 46204  
317-232-2525**

## Appendix G: Press Releases

The DHPA issues a press release whenever a grant award is made. Subgrantees are encouraged to issue additional press releases of their own at appropriate times during the course of their work. However, all such releases must be reviewed and approved in advance by the DHPA. This can be done by mailing, faxing, or even by reading to the DHPA Grants Staff over the telephone the text of the proposed press release. Clearance can usually be given immediately if the release contains the proper information.

The DHPA checks the accuracy of information pertaining to historical resources and government-sponsored preservation programs, as well as the acknowledgment of financial assistance from the IDNR/DHPA and the Historic Preservation Fund Program of the National Park Service. The wording of the acknowledgment should be as follows:

- This project has been funded in part by a grant from the U.S. Department of the Interior, National Park Service Historic Preservation Fund, administered by the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology.

**Note** that the additional federal information and wording required in all grant publications (listed in Appendix H: Acknowledgment of State and Federal Assistance) is not required in a press release.



## Appendix H: Acknowledgment of State and Federal Assistance

During the grant period, any publication, videotape, audiotape, or other printed materials paid for with grant funds, or describing grant activities, **must** acknowledge the assistance of the state and federal government. The following text must be included in the **acknowledgments**:

- This project has been funded in part by a U.S. Department of the Interior, National Park Service Historic Preservation Fund grant administered by the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology.

The following text **must** appear somewhere in the body of the publication:

- This program has received federal financial assistance for the identification, protection, and/or rehabilitation of historic properties and cultural resources in the State of Indiana. Under Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, the U.S. Department of the Interior prohibits discrimination on the basis of race, color, national origin, or disability in its federally assisted programs. If you believe that you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to: Office of Equal Opportunity, U.S. Department of the Interior, 1849 C Street, N.W., Washington, D.C. 20240.
- This [type of publication] has been financed in part with federal funds from the U.S. Department of the Interior, National Park Service. However, the contents and opinions contained in this publication do not necessarily reflect the views or policies of the U.S. Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the U.S. Department of the Interior.

**Note** that only the relevant portions of the required statement need to be included, e.g., if there are no commercial products listed or mentioned, then that part of the statement may be omitted.

Development projects require the posting of a **project sign** at the job site throughout the duration of the grant project. Normally, a project sign is provided to the grant recipient by the DHPA during the initial inspection and start-up meeting. If necessary, additional signs must acknowledge federal grant assistance using the following wording:

- The rehabilitation of this property, which is listed in the National Register of Historic Places, has been funded in part by a matching grant-in-aid from the U.S. Department of the Interior, National Park Service, under provisions of the National Historic Preservation Act of 1966, as amended. This program is administered by the Indiana Department of Natural Resources, Division of Historic Preservation and Archaeology.

**Note that the National Park Service and the Division of Historic Preservation and Archaeology will deny reimbursement for projects that fail to make proper acknowledgment of federal grant support, the source of assistance, and the agency providing grant administration.**

## Appendix I: Protective Covenants and Public Access Requirements

Section 102 (a)(5) of the National Historic Preservation Act requires that owners of property assisted by HPF grant funds agree to maintain such property according to the *Secretary of the Interior's Standards* for at least a reasonable length of time following completion of the grant project. Protective covenants and letters of agreement have been instituted as a means of insuring compliance with this requirement of the Act. A sample of the covenant document is included in this Manual as Exhibit 4: Sample Covenant. See Part III, Grants Requirements By Program Area, Section 6, Exhibit 4.

### Covenants for Grants of \$25,000 or Less

A five (5) year protective covenant is required when the HPF grant amount is \$25,000 or less. The covenant must be in place before the disbursement of any funds to the subgrantee, and will be recorded with the deed to be passed along to the new owner(s) when the property is sold. The purpose of the covenant is to protect the historical integrity of the features, materials, appearance, workmanship, and environment that make the property eligible for listing in the National Register of Historic Places, and to prevent inappropriate, incompatible, and/or irreversible changes being made to the property and defeating the purpose of the grant. This requirement is necessary to protect the public's interest in the property that has been assisted through the expenditure of public funds.

### Covenants for Grants of \$25,001 to \$50,000

A ten (10) year protective covenant is required when the HPF grant amount is between \$25,001 and \$50,000. The covenant must be in place before the disbursement of any funds to the subgrantee, and will be recorded with the deed to be passed along to the new owner(s) when the property is sold. The purpose of the covenant is to protect the historical integrity of the features, materials, appearance, workmanship, and environment that make the property eligible for listing in the National Register of Historic Places, and to prevent inappropriate, incompatible, and/or irreversible changes being made to the property and defeating the purpose of the grant. This requirement is necessary to protect the public's interest in the property that has been assisted through the expenditure of public funds.

### Instructions for Executing the Covenant

There are a number of steps involved with executing the covenant, which must be encumbered on the deed of the property before any federal funds may be paid out as reimbursements on the project. Therefore, it is imperative that the subgrantee work diligently toward executing the covenant in order to insure that grant reimbursements may be made in a timely manner. Any delay in executing the covenant will definitely cause a delay in the disbursement of grant funds. **Note that although grant funds cannot be disbursed until the covenant has been recorded, this does not prevent work from being initiated on the project.**

Please review the following steps, and contact the DHPA Grants Staff anytime you have questions about this process.

1. Following the project start-up meeting, refer to the deed of the project property to copy the "legal description" of the property as described in terms of metes and bounds. Forward the legal description of the property to the Grants Staff.
2. The Grants Staff will prepare the covenant document and forward it to the Project Coordinator for review and approval. Please notify the Grants Staff by telephone, fax, letter, or e-mail to confirm that the covenant document is correct or to advise the Grants Staff of any errors.
3. Once confirmation is received that the covenant is correct, the Grants Staff will produce two (2) new copies of the document, and will obtain the signature of the Deputy State Historic Preservation Officer. Once signed, both copies of the document will be sent to the Project Coordinator.
4. The Project Coordinator must have both copies of the covenant signed by the appropriate agent of the subgrantee organization and notarized, then have the covenant legally encumbered on the deed of the property and recorded with the County Recorder. Both copies of the covenant must be stamped by the County Recorder's Office to indicate that the covenant has been recorded.

5. The Project Coordinator should keep one (1) copy of the covenant document with their project file, and must forward the other copy to the DHPA Grants Staff. Once this copy of the fully executed and recorded covenant is received, the Grants Staff will be able to begin paying out the grant funds.
6. The Project Coordinator will be contacted by the Grants Staff by mail sometime each spring, and will be asked to complete a simple questionnaire about the property that was assisted with federal grant funds. These questionnaires will be sent each year for the duration of the covenant (either five or ten years). Occasionally, DHPA Staff will visit the property unannounced in order to make inspection and verify compliance with the requirements of the covenant. Any observed problems or violations will be noted and brought to the attention of the grant recipient or property owner.

### **Public Access Requirements**

A public access requirement is a stipulation of every grant award and is intended to allow taxpayers the opportunity to view the work being performed with public funds. If the project involved only exterior work, and the structure is visible from a public right-of-way, no additional public access is necessary. No public access is necessary for interior repairs focusing on mechanical systems.

Projects that involve exterior work not visible from a public right-of-way require public access to the grounds of the property not less than twelve (12) days per year on an equitably spaced basis, and at other times by appointment. Projects involving work on interior features or finishes require public access to the interior of the structure for the same amount of time annually. In both cases, nondiscriminatory admission fees comparable to those levied at similar facilities in the area may be charged. Public notification of the required access must be provided by advertising in newspapers of general circulation in the local community, and must give the dates and times when the property will be open. **Note** that the public access requirements are included on the letter of agreement or covenant, and thus remain in effect for the same length of time. Buildings that are open to the public on a regular basis (museums, community centers, government buildings, libraries, etc.) generally meet all public access requirements under their existing operations.

## Appendix J: Federal Requirements for Principal Investigators

The following guidelines are taken from **36 CFR 61 Section 61.5**, which outlines the minimum educational and professional requirements for someone to meet federal qualification standards for conducting work in certain fields. In the following definitions, a year of full-time professional experience need not consist of a continuous year of full-time work, but may be made up of discontinuous periods of full-time or part-time work adding up to the equivalent of a year of full-time experience.

Depending on the type of project, the Principal Investigator will need to meet the requirements in one of these five fields, with certain exceptions. Projects such as historic sites and structures inventories, National Register historic district nominations, historic context studies, historic structure reports, and cultural landscape reports ordinarily require a Principal Investigator who meets the criteria for History or Architectural History. Archaeological investigations, surveys, and National Register nominations for archaeological sites require a Principal Investigator who meets the criteria for Archaeology (note that additional requirements may be imposed by the DHPA). Projects such as rehabilitation of historic buildings or structures ordinarily require a Principal Investigator who meets the criteria for Architecture, especially if plans and specifications are needed for the project. However, certain types of simple rehabilitation projects, which either have plans and specifications in place or do not require them, may get by with a Principal Investigator who does not meet these criteria, such as an experienced general contractor. Any questions about the qualifications for Principal Investigators should be directed to the DHPA Grants Staff.

### A. History

The minimum professional qualifications in history are a graduate degree in history or a closely related field; **or** a bachelor's degree in history or a closely related field **plus** one of the following:

1. At least two years of full-time experience in research, writing, teaching, interpretation, or other demonstrable professional activity with an academic institution, historical organization or agency, museum, or other professional institution; **or**
2. Substantial contribution to the body of scholarly knowledge in the field of history through research and publication.

### B. Architectural History

The minimum professional qualifications in architectural history are a graduate degree in architectural history, art history, historic preservation, or closely related field, with course work in American architectural history; **or** a bachelor's degree in architectural history with a concentration in American architecture; **or** a bachelor's degree in architectural history, art history, historic preservation, or a closely related field **plus** one of the following:

1. At least two years of full-time experience in research, writing, or teaching in American architectural history or restoration architecture with an academic institution, historical organization or agency, museum, or other professional institution; **or**
2. Substantial contribution to the body of scholarly knowledge in the field of American architectural history through research and publication.

### C. Archaeology

The minimum professional qualifications in archaeology are a graduate degree in archaeology, anthropology, or a closely related field, **plus**:

1. At least one year of full-time professional experience or equivalent specialized training in archaeological research, administration, or management; **and**
2. At least four months of supervised field and analytic experience in general North American archaeology; **and**
3. Demonstrated ability to carry research to completion.

In addition to these minimum qualifications, a professional in **prehistoric archaeology** shall have at least one year of full-time professional experience at a supervisory level in the study of archaeological resources of the prehistoric period. A professional in **historic archaeology** shall have at least one year of full-time professional experience at a supervisory level in the study of archaeological resources of the historic period.

#### **D. Architecture**

The minimum professional qualifications in architecture are a professional degree in architecture **plus** at least two years of full-time professional experience in architecture; **or** a state license to practice architecture.

#### **E. Historical Architecture**

The minimum professional qualifications in historical architecture are a professional degree in architecture; **or** a state license to practice architecture **plus** one of the following:

1. At least one year of graduate study in architectural preservation, American architectural history, preservation planning, or a closely related field **and** at least one year of full-time professional experience on preservation and restoration projects; **or**
2. At least two years of full-time professional experience on preservation and restoration projects.

Experience on preservation and restoration projects shall include detailed investigations of historic structures, preparation of historic structures research reports, and preparation of plans and specifications for preservation projects.



# SUBGRANTEE PROGRESS REPORT

**HPF**

Indiana Department of Natural Resources  
Division of Historic Preservation and Archaeology

Subgrantee: \_\_\_\_\_  
Project Name: \_\_\_\_\_

Grant Number: \_\_\_\_\_  
Period Covered: \_\_\_\_\_

Please answer all pertinent questions as accurately as possible, provide detailed responses to the questions below, and sign the form. Mail or FAX this form to the DHPA Grants Staff no later than the reporting deadlines printed below.

	During This Reporting Period:	Total To Date:
Estimated total project funds expended:	_____	_____
Estimated total grant funds expended:	_____	_____
Estimated % of work completed:	_____	_____
Number of properties surveyed:	_____	_____
Number of sites documented:	_____	_____
Acres surveyed at reconnaissance level:	_____	_____
Acres surveyed at intensive level:	_____	_____
Estimated amount of grant funding to be used:		_____
Estimated amount of grant funding, if any, that will be unused:		_____
Date when draft product will be submitted for review:		_____
The grant project is: <input type="checkbox"/> on schedule <input type="checkbox"/> 30 days or less behind schedule <input type="checkbox"/> over 30 days behind schedule		

Please give a detailed summary of all work completed during this reporting period:

Have any difficulties been encountered that might affect the scope of work, final product, budget, or timetable? List the work items remaining to be completed. If the project is behind schedule, please provide a detailed explanation.

\_\_\_\_\_  
Signature -- Agent of Sponsoring Organization

\_\_\_\_\_  
Date



# REIMBURSEMENT REQUEST FORM

# HPF

Indiana Department of Natural Resources  
Division of Historic Preservation and Archaeology

Subgrantee: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Grant #: \_\_\_\_\_  
Federal ID #: \_\_\_\_\_

Total Grant Amount: \_\_\_\_\_  
Total of Previous Claims: \_\_\_\_\_  
Total for This Claim: \_\_\_\_\_  
Grant Funds Remaining: \_\_\_\_\_

CLAIM #	Total of Previous Claims	Total for This Claim
<input type="checkbox"/> Personnel		
<input type="checkbox"/> Fringe Benefits		
<input type="checkbox"/> Travel		
<input type="checkbox"/> Supplies		
<input type="checkbox"/> Design Fees		
<input type="checkbox"/> Advertisement / Publication		
<input type="checkbox"/> Construction / Contractual		
<input type="checkbox"/> Other		
TOTAL		
Funding Level (50% or 70%)	%	%
Reimbursement Requested	.00	.00

This claim prepared and submitted by:

\_\_\_\_\_  
Signature -- Agent of Sponsoring Organization

\_\_\_\_\_  
Date

Based on my knowledge of this project, I certify that the project costs listed on this form are adequately documented, and I believe that these costs are reasonable and appropriate for the work completed to date.

\_\_\_\_\_  
Signature -- DHPA Program Area Staff

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature -- DHPA Grants Staff

\_\_\_\_\_  
Date

## TIME WORK RECORD

Indiana Department of Natural Resources  
Division of Historic Preservation and Archaeology

# HPF

Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Project: \_\_\_\_\_  
Grant #: \_\_\_\_\_

Total hours recorded on this sheet: \_\_\_\_\_  
 Hourly rate of pay / value of hourly services: \_\_\_\_\_  
 Total \$ amount claimed on this sheet: \_\_\_\_\_  
 Hours were:      ☐ Donated      ☐ Paid by grant recipient

Date	# Hours	Description of Work
Total Hours		

I certify that the services shown above were essential to the grant-assisted effort, that the amounts of time indicated are appropriate, that the data is correct, and that the hourly rate is reasonable for the services provided.

Signature of Worker / Volunteer

---

Date

Signature -- Agent of Sponsoring Organization

---

Date



## EXHIBIT 4

### SAMPLE COVENANT

This covenant is made <date>, by the <Subgrantee>, hereafter referred to as the “Subgrantee” and in favor of the State of Indiana acting through the State Historic Preservation Officer, hereafter referred to as the “Grantee” for the purpose of the <rehabilitation, restoration, repair, preservation> of a certain Property known as the <property name> located at <address, city, county,> Indiana, which is owned in fee simple by the Subgrantee and is listed in the National Register of Historic Places.

The Property is comprised essentially of grounds, collateral, appurtenances, and improvements and is known as the <property name>. The property is more particularly described as follows:

#### <Legal description here>

In consideration of the sum of <\$00,000> received in grant-in-aid assistance through the Grantee from the National Park Service, U.S. Department of the Interior, the Subgrantee hereby agrees to the following for a period of <five (5)> or <ten (10)> years:

1. The Subgrantee agrees to assume the cost of the continued maintenance and repair of said Property so as to preserve the architectural, historical, or archaeological integrity of the same in order to protect and enhance those qualities that made the Property eligible for listing in the National Register of Historic Places.
2. The Subgrantee agrees that no visual or structural alterations will be made to the property without prior written permission of the Grantee.
3. The Subgrantee agrees that the Grantee, its agents and designees, shall have the right to inspect the property at all reasonable times in order to ascertain whether or not the conditions of this covenant are being observed.
4. The Subgrantee agrees that when the property is not clearly visible from a public right-of-way, or includes interior work assisted from Historic Preservation Fund grants, the property will be open to the public for the purpose of viewing the grant-assisted work not less than twelve (12) days per year on an equitably spaced basis, and at other times by appointment. Nothing in this covenant will prohibit the Subgrantee from charging a reasonable, non-discriminatory admission fee, comparable to fees charged at similar facilities in the area.
5. The Subgrantee agrees to comply with Title VI of the Civil rights Act of 1964 [42 USC 2000 (d)], the Americans with Disabilities Act, and with Section 504 of the Rehabilitation Act of 1973 [29 USC Section 794]. These laws prohibit discrimination on the basis of race, religion, national origin, or handicap. In implementing public access, reasonable accommodation to qualified handicapped persons shall be made in consultation with the State Historic Preservation Office. To comply with the Americans with Disabilities Act and with Section 504 of the Rehabilitation Act, when interior public access is required at least twelve (12) days per year and at other times by appointment, it is not required that a recipient make every part of the property accessible to and usable by disabled persons by means of physical alterations. That is, for public access periods, videos, slide presentations, and/or other audio-visual materials and devices should be used to depict otherwise inaccessible areas or features.
6. The Subgrantee further agrees that when the Property is not open to the public on a continuing basis, and when the improvements assisted with Historic Preservation Fund grants are not visible from the public right-of-way, notification will be published in newspapers of general circulation in the community area in which the Property is located giving dates and times when the Property will be open. Documentation of such notice will be furnished annually to the State Historic Preservation Officer during the term of the covenant.

This covenant shall be enforceable in specific performance by a court of competent jurisdiction.

\_\_\_\_\_  
Grantee (SHPO)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Subgrantee

\_\_\_\_\_  
Date